

REPORT OF THE ROYAL COMMISSION
ON BORDER CITIES AMALGAMATION

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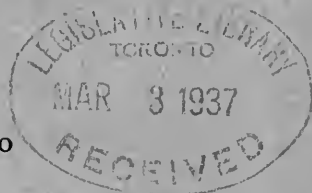
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Province of Ontario



DEPARTMENT OF MUNICIPAL AFFAIRS

REPORT

of the

Royal Commission

on

Border Cities Amalgamation

APRIL, 1935

TORONTO

Printed and Published by T. E. Bowman, Printer to the King's Most Excellent Majesty
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TO THE HONOURABLE THE LIEUTENANT-GOVERNOR OF ONTARIO.

SIR:

Under Order-in-Council, dated 5th December, 193⁴~~8~~, the undersigned were appointed a Commission to inquire into all or any of the municipal and other local affairs of the Cities of Windsor and East Windsor, and the Towns of Walkerville and Sandwich, particularly with regard to acts to be done and steps to be taken in connection with the amalgamation of the said municipalities and into various other matters relating thereto, as set out in said Order-in-Council.

Your Commissioners have made the inquiry so directed and herewith report our findings and recommendations as follows:

FOREWORD

The principle of consolidation and the desirability or otherwise of its application to the problems of this area dates back to the very beginnings of urban development in the district. Sandwich was an unincorporated town prior to 1817. Windsor was incorporated as a village on New Year's Day, 1854. On January 20th, 1853, an editorial appeared in "The Canada Advertiser," a newspaper published in Sandwich, urging the union of Sandwich and Windsor. This editorial appears in full in the Appendix.

The uniting of two municipalities at that time would have been so easy of accomplishment as not in any sense to be characterized as a problem. To-day it is a highly complex one,—six municipalities have come into being, a situation which might never have arisen if the first Act of Union had taken place in 1854. Walkerville was incorporated as a town in 1890 and Ford City, now East Windsor, in 1915. The incorporation of this last community forced home the necessity of joint action on those matters in which the communities had a common interest. The water supply of Windsor, Walkerville and Sandwich was jeopardized by sewage from the rapidly developing Town of Ford City. To meet this situation the Essex Border Utilities Commission was created. Its activities have grown until it now functions in matters relative to Water Supply, Drainage, Health, including Hospital administration, and District Planning. It has served a very useful purpose in this area and many of the problems now facing the district could have been minimized if its power had been extended to embrace services which have been duplicated in every community.

Discussions on Amalgamation seem to have occurred periodically. The first definite step toward this end was through a report, dated September 25th, 1928, prepared by the late Mr. J. A. Ellis, then Director of the Bureau of Municipal Affairs. This report recommended the outright amalgamation of Riverside, East Windsor, Walkerville, Windsor and Sandwich or as an alternative the creation of unified police and fire departments for the area. No action was taken on either recommendation. The objection to the adoption of that report rested in the pooling of all the assets and liabilities in the new city without recognition of any advantage or disadvantage in this respect as between the various municipalities involved. Immediately after the announcement of the amalgamation of the four municipalities in the Windsor area into one city, this Commission was requested to report on the best methods of bringing this about and we have endeavoured to allocate to each area its own assets and liabilities and thus avoid the objection to the previous report.

PART I

INTRODUCTION

In our investigations to determine the best method for the working out of the unification of the Municipalities of East Windsor, Walkerville, Windsor and Sandwich, it soon became apparent that the financial condition of the area as a whole, as well as of its constituent units, presented a problem overshadowing in importance all other considerations. We propose to set out some of the causes leading to the serious predicament in which we find the area.

GROWTH OF POPULATION

The growth of Walkerville, Windsor and Sandwich from the founding of these towns up to about the year 1912, in which year Ford City, now East Windsor, was incorporated, was of normal slowness. They depended on industry chiefly for their prosperity and, for the population to be supported, industry was reasonably diversified and of about normal continuity of employment.

Then came the automobile industry, of which the City of Detroit, situated across the river from this area, became not only the American but to a great extent the world centre. This influenced the location in the Windsor area of important automobile and auxiliary industries.

Many of these industries were adaptable to conversion for the manufacture of munitions during the war and were so converted and became the centre for much highly paid labour.

The combined effect of the rapidly growing motor industry and the profitable munitions industry attracted a great increase of population from all parts of Canada. A considerable proportion of the population so attracted obtained employment in the City of Detroit in which city the same conditions existed to a still higher degree.

To illustrate the growth that took place during this period the following table showing the population at different times is given:

	East Windsor	Walkerville	Windsor	Sandwich	Total
1910.....	(Inc. 1912)	3,048	17,538	2,106	12,692
1920.....	5,800	6,279	37,170	3,643	33,381
1930.....	16,081	11,351	68,079	11,483	106,994
1934.....	14,954	9,751	63,010	10,922	98,637

THE COMMUTER SITUATION

To show the extent of the Border area's dependence upon employment in Detroit the following figures are given showing the number of residents in the area listed as "commuters" to and from Detroit, viz.:

1927.....	15,000
1928.....	10,000
1930.....	4,300
1932.....	2,400
1934.....	2,151

These persons were of various occupations. Many were old and valued employees holding responsible positions. Many were expert workmen in automobile and allied industries. They were generally of high-earning capacity and a valuable asset to both the community in which they resided and the one in which they were employed. There existed with this flow of wage and salary-earning commuters from Windsor to Detroit, a counter flow of the same class from Detroit to Windsor, but the counter flow was very much smaller in volume. Partly by reason of the fact that Canada imported from the United States a great deal more manufactured goods than the United States imported from Canada and consequently was sustaining a great many more American workmen in United States plants than the United States was supporting of Canadian workmen in Canadian plants, the local advantage of the Windsor area being many times offset by the national advantage in favour of the United States and partly because the commuting privilege between the two countries had endured for generations, it was reasonably assumed that this privilege would be permanent. However, the depression having set in and unemployment becoming specially acute in the Detroit area, such pressure was brought to bear by labour organizations that, notwithstanding the national balance to the advantage of United States labour as a whole, restrictions of growing stringency were imposed upon the commuting privilege, resulting in the almost total wiping out of the commuter. The number of commuters declined from a peak of 15,000 in 1927 to 2,151 in 1934 with still further restrictions threatened.

Of those so affected, large numbers transferred their residence and their families to Detroit and have become United States citizens, many others have left the Border area to seek homes and employment elsewhere. A small percentage has been absorbed in industry and business in the Border area, the remainder, of which there is a large number, are either sustaining themselves on rapidly diminishing reserves or are being maintained by the State through unemployment relief. Many of these commuters were heads of families so that the effect of this blow to the vitality of the Border area can best be gauged if it is assumed that for each 100 commuters there would be an equal number of dependents. With a reduction in commuters of roughly 13,000, about 26,000 persons or over one-fourth of the total population of about 100,000 was affected in the way above indicated.

In the "liquidation" of the commuter the amalgamation area lost in the earning power of its inhabitants somewhere in the neighbourhood of \$50,000 per day or the equivalent of three times the present taxpaying ability of all the remaining inhabitants.

UNEMPLOYMENT AND RELIEF

The extensive and distressing unemployment brought about in part by this condition and in part by the general depression in business made it imperative that a well organized system of relief should be brought into existence, dependent

almost wholly on Federal and Provincial funds. Though, as noted above, many persons left the area to carve out a future elsewhere, there still has been a comparatively slight decrease in population. The explanation for this is that many persons with little or no resources have come from places throughout the Province where there were no relief organizations or where they were encouraged by their local municipal bodies to do so. They have taken the place of the self-sustaining inhabitants that the Border area has lost. Further additions to the non-sustaining class have come from persons either deported from the United States or turned back by Immigration Officials at the Border and remaining there. The result from all causes is that in the year 1934 there were on relief in the four municipalities a daily average throughout the whole year of 28,636 persons or 29 per cent. of the total population.

CONSTRUCTION OF SCHOOLS—PAVEMENTS—WATER MAINS AND OTHER SERVICES

While the buildings and equipment in existence at the commencement of what may be termed the boom period were quite adequate to meet the needs of the community as it then was, the rapid growth that set in during that period soon made imperative a very great extension of educational and other services. Neither citizens nor creditors of the municipalities foresaw the end of the growth that appeared so vigorous. It seemed wisdom on the part of those in charge of such affairs to provide not only for the needs of the present but also for those of at least the near future, and even the near future seemed to demand much expansion. Therefore schools were built, pavements and sidewalks constructed, water mains and sewers laid, and hydro extensions provided to take care of the requirements of those who were arriving to-day and were surely expected to be coming to-morrow.

THE SPECULATOR AND LOCAL IMPROVEMENTS

Supplementing the patriotic desire of the civic fathers to anticipate the requirements of the rapidly growing communities was the profit-gaining motive of the real estate speculator whose object was to have city services extended to the locality in which his subdivision area was located. His interest led to an exaggeration of the necessity for the opening of streets, laying of pavements and installing other services so he, the big speculator, could in this way more surely unload at a worthwhile profit, his holdings on the little speculator. City and town councils were too easily imposed upon by propaganda emanating from such interested sources to enter on unnecessary undertakings under the local improvement system whereby vast debts were contracted under the assumption that the general taxes reaped from these subdivisions would more than take care of the corporation's share of the improvements and that the owners' share would be met by the special frontage tax.

The real estate boom having collapsed it has now developed that much of this land has ceased to pay any taxes whatsoever and has had to be taken over by the municipalities and is now lying barren, unproductive and unsaleable, the burden of both the corporation's and owners' share of local improvement debt thus falling on the overburdened shoulders of the general taxpayer.

To summarize the situation with respect to municipal services, it may be stated that in the area, with a population of 100,000 persons, there are services fully or partly provided sufficient for a population of 200,000, a large percentage of which will, in all probability, be depreciated to the point of extinction without having served any useful purpose.

S. W. & A. RAILWAY DEBT AND DEFICITS

In the year 1920 the four federating municipalities with seven others purchased the Sandwich, Windsor and Amherstburg Railway—an electric railway giving not only a city service but also a suburban service from Tecumseh to Amherstburg.

It is alleged, and there appears to be substantial foundation for the contention, that encouragement from those in charge of the Provincial Hydro-Electric System was at least an important if not the determining factor in bringing about this purchase. The amount of the purchase price, together with the cost of rehabilitation and extensions was slightly less than \$6,000,000 for which debentures were issued, guaranteed by the Province of Ontario. This has turned out to be a most unprofitable undertaking. Through inability to meet the amount required to pay interest and to provide sinking funds the debt has now grown to a total of approximately \$7,500,000.

W. E. & L. S. RAILWAY DEBT

In the year 1929, also it is alleged, under encouragement from responsible officers of the Provincial Hydro-Electric Power Commission, the Windsor, Essex and Lake Shore Railway, an electric railway running from Windsor to Leamington, was purchased by a group of municipalities of which one of the amalgamation units, the City of Windsor, participated. The price paid was \$296,000 met by the issue of debentures of the participating communities. Further debt was incurred for rolling stock and other improvements. It was operated by the Hydro-Electric Power Commission of Ontario. This undertaking proved so unprofitable that operation of the road was wholly discontinued in September, 1932. The winding up of its affairs is now in the hands of the Guaranty Trust Company of Canada as trustee. The liabilities against this railway as of December 31st, 1934, amount to approximately \$1,500,000 and the value of its assets is estimated at approximately \$150,000. On this basis the City of Windsor's share of the net liability is approximately \$450,000.

ASSESSMENT CONDITIONS

During the boom period, values of real estate, including buildings, advanced with great rapidity. The assessors of the various municipalities raised assessments substantially but not beyond the extent which boom time sales would appear to justify. The collapse of fictitious values may be taken to synchronize with the stock market crash of the autumn of 1929. The assessment for the tax year of 1930 had then been made and that assessment for the four municipalities aggregating \$169,131,000 marks the peak of assessment.

Following the collapse of the boom, real estate in the Border area suffered an acute decline and in the opinion of your Commission this decline is still continuing.

The Assessors attempted to adjust their assessments to the changed conditions but tried to reach the ultimate parity between assessment and value by gradual reductions.

The aggregate of the assessments for the tax year 1935 has thus been brought down to \$105,400,000, a reduction of 38 per cent.

From studies which we have made, it is believed that even this reduced amount is still very substantially in excess of the actual market value of the assessed property in the four municipalities. We are of the opinion that a figure somewhere between \$80,000,000 and \$90,000,000 would represent 100 per cent. of actual value. In the bringing down of the total assessment to the amount deemed proper it will be essential that the reductions should be equitable as between the various classes of property owners, such as vacant lands, residential, commercial and industrial properties.

TAX CONDITIONS

The tax situation must be considered in connection with the assessment condition.

The tax rate for general purposes, including public and high school rates, for the four municipalities in the year 1934 averaged about 35 mills. It is expected that about the same rate will prevail in 1935.

When considering this rate for comparison with that of municipalities situated elsewhere, it must be borne in mind that this rate prevails not with respect to a 60, 70 or 80 per cent. assessment which ordinarily exists throughout the Province, but with respect to an assessment substantially over 100 per cent. of the market value. If the assessment had been 80 per cent. of actual value, in our opinion the rate would be somewhere in the neighbourhood of 43 mills.

To show that the rate of taxation as applied to the assessment is practically at the point of the taxpayers' utmost capacity to pay is indicated by the following statistics. The assessed value of property taken over by the various municipalities through tax sale or registration as of December 31st, 1934, is as follows:

East Windsor.....	\$1,874,220
Walkerville.....	173,211
Windsor.....	2,818,740
Sandwich.....	1,760,005
Total.....	<hr/> \$6,626,176

Of the total assessment for land and buildings of approximately \$94,000,000 for the four municipalities the assessed valuation of properties in arrears for taxes at the end of 1934 for the 1933 levy was as follows:

	Improved	Vacant	Total
East Windsor.....	\$3,366,080	\$256,560	\$3,622,640
Walkerville.....	1,698,775	165,472	1,864,247
Windsor.....	20,673,580	1,353,160	22,026,740
Sandwich.....	2,226,860	167,470	2,394,330
	<hr/> \$27,965,295	<hr/> \$1,942,662	<hr/> \$29,907,957

This, in the opinion of your Commission, indicates that in so far as the owners of property are concerned, taxation is at the breaking point.

PART II

THE FINANCIAL SITUATION

THE SITUATION AT PRESENT

The situation existing in the Border area to-day is giving rise to a condition by which something approaching total default is threatened. The present budgets are to some extent fictitious as the provision for maintenance in every department is entirely inadequate. The sums now available must not only be increased substantially but be provided continuously, or the need for new capital expenditures will arise and the municipalities in their present condition will be unable to secure funds for this purpose. If the present scale of expenditure is continued, adequate maintenance resumed and a share of relief provided by the municipalities, there will be very little, if anything, left to pay either principal or interest on the bulk of outstanding bonds. The consequence must be that the credit of the area, both public and private, will be destroyed. Neither public money for needed improvements nor mortgage money for private building will be obtainable and present mortgages will not be renewable unless under some form of government compulsion. Walkerville is admittedly in much better condition financially than the other municipalities, but its location renders impossible its complete escape from the effect of its defaulting neighbours. While the process may be retarded—in the end it will suffer substantially the same fate as the rest of the area, despite its desire and intention to meet its obligations in full.

THE MERIT OF AMALGAMATION

The merit of amalgamation in so far as the Border area is concerned lies in the opportunity it offers to set up an authority, free both from politics and local dictation, secure in its tenure of office for a period of years and able to secure the managerial experience to reorganize all the services on an area-wide basis, having regard to over-all efficiency only. If such a body is set up and permitted to function in an unhampered manner we believe it can achieve a budget for the area of \$3,250,000. This budget is not the outcome of merely a unification of staff and municipal services, it necessarily involves a very material reduction in both personnel and wages. As both of these elements have reached their minimum in East Windsor and Sandwich, it must follow that the payrolls and personnel of Walkerville and Windsor must bear these savings. Services must, to a considerable extent, be brought to a common level. Tax moneys, if based on a uniform mill rate, will flow from Walkerville and Windsor into the other two areas but

more particularly from Walkerville. Unless definite compensatory provision is set up, the citizens and bondholders alike of the two more solvent areas will assist in carrying the burden of the two less solvent communities, viz., Sandwich and East Windsor.

NECESSITY OF A REDUCED BUDGET

The three and a quarter million budget will provide services on a reduced basis but one which should be reasonable from the like viewpoint of citizens and creditors of the area. Unless such a programme is carried out and due recognition given to the protective factor mentioned, immediate amalgamation under existing conditions is without merit and will work to the detriment of Walkerville and, in a lesser degree, to Windsor, without assisting Sandwich or East Windsor. Meantime property values will recede to lower levels, higher mill rates will be a natural sequence, tax arrears will increase and the extent of the default will become greater.

The imminence of this situation has been concealed principally in three ways:

1. By neglect of maintenance.
2. By almost complete failure to provide for debenture obligations.
3. By Government assumption of 100 per cent. relief in all municipalities except Walkerville.

MARGIN AVAILABLE FOR DEBT SETTLEMENT

When adequate provision is made for maintenance of public property, for a contribution to relief, for the cost of education and other city services and when the 1936 revenues are estimated as accurately as possible on the present basis of taxation, a situation approximating that shown in Table I is revealed. The figures for net debt given in the Table are obtained by subtracting from the gross debt, including Separate School debt, the estimated amount of recoverables from Hydro, Waterworks and Housing debentures and the estimated collectible part of local improvements.

TABLE I

	East				
	Windsor	Walkerville	Windsor	Sandwich	Total
Revenue (1936 est.)..	\$549,000	\$570,000	\$2,520,000	\$364,000	\$4,003,000
Operating Cost (est.)	513,000	459,000	2,145,000	344,000	3,461,000
Available for Debt...	\$36,000	\$111,000	\$375,000	\$20,000	\$542,000
Gross Debt.....	\$8,139,610	\$4,376,972	\$22,763,614	\$5,513,046	\$40,793,242
Recoverable (est.)...	1,413,658	940,075	6,366,614	878,817	9,599,164
Net Debt.....	\$6,725,952	\$3,436,897	\$16,397,000	\$4,634,231	\$31,194,078
Per cent. of Net Debt					
available in cash...	.535%	3.25%	2.3%	.4%	1.7% Av.

That is, for the area as a whole there would be available for both principal and interest a sum equal to 1.7 per cent. of the net debt or enough to discharge the debt without interest in 59 years. Such bonds would have no market value and a proposal to settle debts on any such basis as 1.7 per cent. per annum without interest would be regarded everywhere as repudiation. While the creditors might not be able to collect their money, the municipality could not secure the equivalent of a release from bankruptcy. The result would be a compounding of the debt to a point where it would be unwise for anyone to invest a dollar in the area.

EFFECT OF COMPOUNDING OF INTEREST

This compounding of interest is already well advanced in the Border area. As an illustration, the debt of the Essex Border Utilities Commission exceeds by more than \$50,000 the original amount owing, notwithstanding repayments of \$303,970.43 of principal and a much greater amount of interest since 1920. Many obligations are in a similar position. Unless this situation is dealt with in some manner, the pyramiding debt structure will, in all probability, within twenty-five years exceed the fair market value of everything in the area. Once this condition is generally recognized, unless steps which will command confidence are taken to remedy it, an epidemic of foreclosures on maturing mortgages could only be prevented by a perpetual moratorium and new loans for any purpose either public or private would be out of the question.

TWO REMEDIES ONLY

If this condition is to be avoided, there are two remedies and two remedies only:

More Revenue;
Less Expense.

The possibilities of increased revenues under its different subdivisions will first be considered.

REAL ESTATE TAXATION

We find that real estate is, in general, overtaxed already—this has been dealt with previously.

In further proof that residential property is assessed too highly and can stand no further burdens the percentages of residential property in arrears for taxes are submitted.

39.6 per cent. of total residence value is in arrears for 1934.
36.5 per cent. of total residence value is in arrears for 1933-34.
26.6 per cent. of total residence value is in arrears for 1932-33-34.

To understand how this situation has developed with regard to residence values it is only necessary to revert to the figures previously quoted showing 29 per cent. of the population on relief. There was in the area in 1930, housing accommodation for 107,000 people, the then population. At the present time that population has dropped to a little less than 99,000, with nearly 29,000 on

relief, reducing the self-sustaining number to 70,000. There is thus housing accommodation for 107,000 competing for the patronage of the 70,000 who can afford to pay. This results in a "tenant's market" with rental returns so low that when mortgage interest, insurance, repairs and high taxes have to be met the money is not there to meet them and the balance must be obtained by the property owner from some other source.

No additional municipal revenue, therefore, can be looked for from that source.

INDUSTRIAL TAXATION

The entire development of the Border Cities area has been built upon industrial activity. The future of the district seems to be dependent solely on industry, primarily through the retention of those now established there and, secondly, by convincing those having capital to invest in industrial enterprise, that the district offers a safe and attractive field for such investment.

It holds generally true that industry attracts industry. The primary consideration of the Border is, therefore, to retain those industries which it now possesses. It might reasonably be assumed that expansion in those industries would follow any general nation-wide business up turn. Local industries have had to meet the competition of lower freight and power rates available to their competitors elsewhere. The larger ones have apparently been able to meet this competition but over 75 of the small industrial establishments have either gone out of business or moved away in four years.

THE EFFECT OF TAXATION ON INDUSTRY

Taxation in all its forms is rapidly becoming the greatest obstacle which industry has to face. If there is any method of keeping local industries' taxation at a level where it reasonably approaches parity with that which prevails elsewhere, industries are not likely to be disturbed. If excessive tax rates are imposed to meet refinancing schemes, there will be an immediate and general industrial flight to areas where this does not prevail. Such a refinancing proposal would not only defeat the desired end but would result in a situation by which default would become total and permanent. It is idle to state and folly to infer that industry can either afford excessive taxation or can be forced to submit to it. It can carry its fair share but it cannot be expected to provide the solution for municipal insolvency. There are already substantial arrears of taxes—over \$500,000—on industrial and commercial assessments.

BUSINESS TAX

Since in this area business tax is dependent so largely on industries we see no reason to expect a material increase in revenue from this source.

INCOME TAX

In the field of income tax lies, in our opinion, the only hope, from the revenue end, of accomplishing anything that will materially assist in avoiding the ruin of the bondholders and at the same time avoid similar ruin to the present taxpayers.

REMOVAL OF DIFFICULTIES

In the conditions that have heretofore existed by which many independent municipalities each pursued its own course, the uniform enforcement of the income tax law was practically impossible and for a number of years all efforts to collect this tax have been abandoned. During the time that it was nominally in force the high exemption allowed by The Assessment Act rendered the amount collected so small as to afford no worth while relief to the real estate taxpayer. Integration of the four units will help cure the first difficulty and the lowering of the exemption rates proposed in this report will assist in the second difficulty.

Notwithstanding the fact that there is so much unemployment in the Border as shown by figures formerly quoted, there are now and will be a great number of persons profitably employed, a very high percentage of whom are not taxpayers. Many of these are young men and young women, not householders, on whom it would entail no great hardship to contribute three per cent. of their income, as hereinafter suggested, less the exemption provided.

Similarly, tenants who are not obliged by their leases to pay taxes can, in view of the present low and inadequate rentals prevailing, likewise pay this tax, subject to the prescribed exemption.

TAPPING NEW SOURCES

We propose tapping these fields of revenue by the poll tax and income tax method. We do not suggest any change in the present amount of poll tax but we do propose that at a much lower exemption level than heretofore has prevailed, the income tax shall commence to operate and that a new means for securing the collection of both poll and income taxes be instituted.

In the unified area the predominantly important source of income is wages and salaries from personal services. Therefore we propose that both poll tax and income tax be collected at the source of the income. We recommend that all persons, firms or corporations assessed or subject to assessment in the area for business tax as well as the City Corporation, all Public Boards or Commissions and all Boards of private institutions whether subject to municipal assessment or not, be required to withhold three per cent. of all wages or salaries of all employees who reside within the area or who earn such wages or salaries for services performed within it and to transmit to the tax collector of the city once a month the amount so withheld with a statement of the names of the employees and the amounts, such transmission to be deemed to be payment to the employee. The amounts so transmitted to the collector shall be applied, firstly, on account of any income tax or poll tax owing to the city by the employee whether the time fixed for payment has arrived or not; secondly, as to the balance on any other taxes owing by him; and thirdly, as to the remainder, if any, by paying it over to such employee on demand.

CLASSES OF TAXPAYERS

Reference must again be made to the tax burden heretofore borne by the owner. Taxes, whether real estate taxes, business taxes or income taxes, must

come out of present or past income of the taxpayer. Therefore, the owner of every piece of property in the municipality is already paying what is in effect a tax paid from income with the distinction that it is at a particularly high rate and usually on an assessment much higher than his income and with respect to which no exemption is applied.

We therefore differentiate between taxpaying owners (including in this class such few tenants as by their contracts are obliged to pay taxes) and persons who do not pay real estate taxes. As to those who do not pay real estate taxes we differentiate between those who are householders and those who are not. There will, therefore, be three classes as follows:

CLASS I

This class comprises every resident householder who is the owner of property within the area assessed for at least \$800 and also every resident householder who is a tenant, under a written lease, of property within the area assessed for at least \$800 and under which lease the tenant is under obligation to pay all municipal taxes.

(With respect to owners and taxpaying tenants of property under \$800 provision for exemption is made later.)

CLASS II

This class comprises every person who is a householder within the city and who is not included within Class I.

CLASS III

This class comprises every person eighteen years of age or over who is in receipt of or earns income who is not a householder and every other person who is in receipt of or earns income and who is not included in Classes I and II.

RATES AND EXEMPTIONS

Every member of Class I shall be exempt from assessment on all income up to \$800 but shall be liable to pay a tax of one per cent. on all income above \$800 up to the amount of the assessment of the real estate for which he is assessed or for which as tenant he is so obliged to pay taxes, and if his income should exceed the exempted \$800 and the amount of such real estate assessment he shall pay on the balance at the rate of three per cent.

Every member of Class II shall be exempt from assessment on all income up to \$800 but shall be liable to pay a tax of three per cent. on all income above that amount.

Every member of Class III shall be exempt on all income up to \$500 but if in receipt of income above that amount he shall pay a minimum tax thereon of \$10.00 on the first \$300 thereof and for all income beyond that shall pay at the rate of three per cent.

THE BUDGET

A REASONABLE OPERATING BUDGET

In establishing a budget of \$3,250,000 provision has been made for uncollectible taxes of $2\frac{1}{2}$ per cent. of the total tax collections of the area in any year, or about \$100,000. The balance of this budget is to be allocated among the various civic departments. While reasonable care has been taken in the preparation of this budget, we believe that it is neither possible nor desirable at this time to definitely assign to each operating department its fair proportion of the remaining \$3,150,000. This can be determined only when some measure of consolidation and readjustment has been effected. We stress the point that this appears to be a reasonable sum and one which should not be exceeded until there is a definite increase in tax moneys available. As a corollary to this it is our belief that it should not be measurably reduced inasmuch as the interests of the citizens and those of the bondholders are identical in so far as adequate maintenance is concerned.

It is necessary that the taxpaying public secure reasonable services in return for the effort which each will be called upon to make in order to meet the municipal obligation as a whole.

We are aware that certain moneys are available in East Windsor, Windsor and Sandwich by reason of the excess levy over actual operating requirements since default. A considerable percentage of these funds has been provided by the Water and Hydro Boards of their respective municipalities. These Boards have paid over such moneys on the assumption that their obligations with respect to bonds would be met in full. The disposition of these funds is not a matter for our decision.

In any long term refinancing scheme, the gradual depletion of this sum will have little appreciable effect on debt retirement of any municipality, with the possible exception of East Windsor. By reason of this condition we have disregarded the ultimate benefit or effect of these surplus funds. Every effort should, however, be made to achieve the result shown in Table II.

THE BONDHOLDER: WHO IS HE?

Among the advocates of total or partial repudiation the fallacy that "the bondholders" are well-to-do people driving a hard and unjust bargain against the poor is very popular. Such is not the case. Representations have been made to this Commission by bondholders who are in much more difficult conditions than the average taxpayer or municipal employee. Some of them are in positions at least as distressing as that of people on relief. The fiction of the wealthy bondholder is built largely on the assumption that the assets of insurance companies are the property of the company to do with as they will whereas they are merely held in trust for a great many people who have maintained small insurance policies to protect their wives and children in the event of their death. The bulk of municipal bonds are either in trust funds to protect the dependents of men already dead or in insurance to do the same for the dependents of men still

living but who will die in the next thirty or forty years. Insurance is the safeguard of the poor, not of the rich. If municipal bonds are defaulted, the loss falls on the poor to a much greater extent than on the rich, probably in the ratio of 3 or 4 to 1. Nothing can save the bondholders of the Border Cities with the possible exception of those of Walkerville, from substantial loss. Refinancing schemes designed to get them all their money but based on such assumptions as that present maintenance budgets can be adhered to without increase for forty years or that large increases in revenue from sources not at present known will be available in the future are vain. But citizens of the Border area owe their bondholders nothing less than the best efforts possible to hold their loss to a minimum. No local politics or economic theories should be permitted to stand in the way of that effort.

If it be assumed that the income tax has been imposed and that the \$3,250,000 budget has been achieved, an estimated surplus of revenue over expenditure of some \$1,039,653 would exist. This is made up by taking the 1934 tax levies and adding the prospective income tax.

The 1934 Tax Levy for the four units was.....	\$4,022,208
On this was paid by December 31, 1934.....	\$2,940,697
Leaving a balance outstanding of \$1,048,066. Special pressure was brought to bear to effect this collection and probably the balance left may not be of normal collectibility. Therefore allow 5 per cent. off whole levy for uncollectibility, \$201,110.	
This leaves a collectible balance of 1934 Taxes.....	846,956
Leaving Collectible Tax Revenues of 1934.....	\$3,787,653
Miscellaneous Revenues—Not likely to further diminish.....	152,000
Total Revenue—Collected or to be Collected.....	\$3,939,653
Amount estimated to be raised by the proposed income tax.....	350,000
Total including Income Tax.....	\$4,289,653
Estimated Budget under Amalgamation.....	3,250,000
Balance for Creditors.....	\$1,039,653

UNEMPLOYMENT RELIEF

THE EXTENT OF THE PROBLEM

Somewhere between ten and twenty thousand people of employable age reside in the Border Cities who never at any time in their lives have worked there, so that no increase in business which can be hoped for in the near future can provide work for them. Even if two new industries each with an employment equal to that of the Ford Motor Company were to come to the Border at once, the unemployed, though more than sufficient numerically, would be unable to man them and while new population would come and taxpaying capacity be largely increased, the unemployed problem would exist much as it does to-day, though of somewhat smaller proportions. It is interesting to note that despite the large number of unemployed there is decided evidence of a labour shortage

in some of the skilled labour divisions of manufacturing. People out of employment for years and formerly employed in offices and mercantile establishments in Detroit or irregularly employed in rural districts, cannot be absorbed in competitive industry, except as a very small percentage of total employment.

REMEDIAL MEASURES

We therefore recommend that in connection with the relief administration, a careful classification of the personnel of the unemployed be made first to determine how many are unemployable and then what employment the balance are suited for and that the relief administration co-operate closely with industry so that insofar as may be possible everyone who is useful to industry will be discovered and absorbed before outside population is brought in. We recommend further that so long as the cash relief plan is in operation, it be so utilized as to provide first-class maintenance of all public property and when these things are provided for, an attempt be made to utilize the residue of unemployed but employable people, who can neither be absorbed in industry or relocated elsewhere, in providing things of which they themselves have need.

THE FUTILITY OF SOME WORKS PROGRAMMES

What is generally known as a "Works Programme" is of very little help in dealing with a problem such as this. Only a very small part of the cost of any public work can reach these people, as there are very few of them mechanics or construction men. There is no need for any great number of public works in the Border and no matter how large the programme, it must come to an end some time and the problem of unemployment must be faced again. In addition, the carrying charges on these public works must be added to the taxpayers' burden. Maintenance of public property and the production of food and other necessities of life are perpetual and involve no extensive carrying charges. No small part of the Canadian taxpayers' distress is due to the building of great numbers of public works, advocated with great fervour and guaranteed by their sponsors to produce business which would make them an asset, but which have produced no business and which are a dead weight on the taxpayer now and apparently for generations to come.

NECESSITY OF LOCAL VIGILANCE

This Commission wishes to go on record as favouring under existing conditions the bearing of some portion of unemployment relief by municipalities as an incentive to greater local vigilance in preventing abuses in relief administration. We feel that in respect to the amalgamated area it should bear a share, proportionate to its ability to pay, and that this share should be levied in the year in which it is spent and not funded. If this recommendation is adopted it will tend to put a check, obtainable in no other way, on the growth of the local relief problem and will tend to reduce it.

ONE HUNDRED PER CENT. RELIEF?

While the government's assumption of 100 per cent. welfare cost unquestionably relieved the local taxpayer of immediate pressure, it has resulted in the problem which is the most difficult of solution in the area to-day, viz.: The

concentration in the district of a large body of permanently indigent people, encouraged to move there by the authorities of municipalities where they formerly resided because "the government is paying for it." This system resulted in the lowering of relief allowances in certain municipalities regardless of humanitarian considerations. These people were forced out and concentrated in the Border Cities where adequate relief allowances were obtainable. As business improves and property becomes more easily rentable, they will be forced to concentrate in the worst areas in the city, a most undesirable result from their standpoint and that of the city generally, but nevertheless an inevitable one. In this way slum areas will be formed to the detriment of the people in them and of surrounding property. There is, unfortunately, a widespread fallacy that the government pays 100 per cent. of the cost of maintaining the indigent poor. The municipalities must, however, provide them with education and hospitalization, the greater part of which costs must be borne by taxpaying citizens of the area. When it is realized that the costs of education absorb about 30 per cent. of the entire operating budget, it should be evident that it is a matter of real concern to the city to keep indigent costs to a minimum.

This is a problem which will not solve itself or be solved by improvement in business. Families which, by reason of insufficient earning power through ill health or otherwise, were not fully self-sustaining in good times cannot be expected to become self-sustaining by their own efforts after years of idleness and subsidized relief in a strange environment.

AREA RATES

AREA COSTS AND OPERATING SURPLUSES

If the area is amalgamated and the cost of service reduced from \$3,461,000 (Table I) to \$3,250,000 the practicability of which is suggested in this report, this entire reduction must be borne by Windsor and Walkerville since no further reductions appear possible in East Windsor or Sandwich. As a matter of fact, it would seem inevitable that in these two municipalities some increase in operating costs, in addition to those already proposed for maintenance of public property and relief, would be necessary. For the purposes of this report it is assumed that Windsor and Walkerville will bear the whole reduction of \$211,000 and that the other areas remain unchanged.

TABLE II

	East				
	Windsor	Walkerville	Windsor	Sandwich	Total
Revenue.....	\$583,000	\$626,500	\$2,691,153	\$389,000	\$4,289,653
Cost of Service.....	513,000	418,000	1,975,000	344,000	3,250,000
<hr/>					
Available for Debt					
Service.....	\$70,000	\$208,500	\$716,153	\$45,000	\$1,039,653

When the estimated income tax is added to revenue we have a Revenue and Expenditure statement as shown in Table II.

THE FLOW OF TAXES

It is now possible to compare the approximate contribution of each area to the common fund with the cost of service in that area and to estimate the loss and gain for each.

TABLE III

	Contribution to Budget	Cost of Service Table II	Gain	Loss
East Windsor.....	\$423,000	\$513,000	\$90,000	
Walkerville.....	529,000	418,000		\$111,000
Windsor.....	1,989,000	1,975,000		14,000
Sandwich.....	309,000	344,000	35,000	
	<hr/> \$3,250,000	<hr/> \$3,250,000	<hr/> \$125,000	<hr/> \$125,000

This table shows, as might reasonably be inferred, that if taxes for service are levied by a uniform rate and redistributed in accordance with the cost of giving this service that money will flow from the area of high values to the area of low.

AREA ASSETS SHOULD BE APPLIED TO AREA DEBTS

It should be provided that each area shall have available to meet its own liabilities, all the current assets which it had before amalgamation and its proportionate share of all current assets available for and created by or as a result of amalgamation, in order that there shall be no transfer of paying ability from one area to another as far as area debts are concerned. All city-wide debts incurred after amalgamation will be, of course, properly a charge on the pooled credit of the whole area, a condition which it is one of the main purposes of amalgamation to bring about; but so far as area debts are concerned, there should be no pooling of credit, complete or partial, and neither the citizens nor creditors of any area should suffer relatively to other areas so far as past area debts are concerned. This is a basic principle on which any union should be predicated.

The total amount of revenue which in our opinion can be derived from each area is shown in Table II, together with our estimate of the Cost of Service and the amount available for debt service.

METHOD OF ARRIVING AT AREA RATES

It will be seen that if a uniform mill rate should be imposed, the contribution of Walkerville and Windsor to this operating expense would be out of proportion to their share of the cost. The difference in the case of Windsor is small, but in Walkerville quite substantial.

To remedy this a differential tax rate will be required especially in the case of Walkerville, but in arriving at the differential the matter of debt settlement must enter into the calculations. The things which in our opinion should precede any attempt to fix area rates are:—

1. A complete and uniform reassessment of the entire area.

2. The fixing of the 1936 budget by the Windsor Finance Commission.
3. The determination, as nearly as may be, of the amount of the budget to be spent in the different areas.
4. The fixing of the settlement as between each area and its creditors.

PROBABLE LIMITS OF DIFFERENTIAL

While the differential as between Walkerville and the rest of the area for reasons already given cannot be ascertained at this time, this Commission has made a large number of studies on what seemed to them to be reasonable assumptions and, as a matter of information, it is their opinion that the differential in favour of Walkerville will not be less than 3 mills and not more than 6 mills. As an example, one of the elements to be considered in fixing the differential rate is the increased cost of fire protection to Walkerville referred to in a subsequent section of this report. Our studies seem to indicate further that the differential in favour of Windsor as compared to Sandwich and East Windsor would probably be so small that it could be safely ignored.

COLLECTION OF LOCAL IMPROVEMENT DEBT

In the collection of local improvement levies we believe that it would be impossible to attempt to collect all local improvement charges even on a re-financed basis, from the properties which are now carrying them. In so far as vacant property is concerned it would mean a constantly increasing number of registrations.

{PARTIAL FINANCING OF LOCAL IMPROVEMENTS BY SERVICE CHARGES

Where local improvements have been completely paid by the owner of a property he should not be expected as a matter of justice to pay that particular assessment again. We believe that a system of service charges should be adopted as a substitute for the local improvement levy, applicable to sewers, sidewalks, pavements, street lighting and other local improvements which cannot be classed as self-sustaining nor collected through such departments as Water or Hydro. There should be a sharp differentiation between the charge to those properties which have already discharged their debt in full, as compared with those which have not done so. While it has been generally recognized that local improvements should be paid in a limited period of time, dictated by the life of the structure, it is a matter of common knowledge that their life usually exceeds that of the debenture. There does not appear to be any reason why a small service charge should not continue to be collected for an indefinite period. The refinanced local improvement debt of each area could be collected as far as possible in this manner.

We make the following recommendations with respect to the method of collecting present local improvement obligations:

- (1) The maximum amount to be levied for the owner's share of local improvements in any area should not exceed that percentage which forms the basis for debt settlement in that area.

(2) The Windsor Finance Commission should be empowered to substitute a service charge in lieu of the former local improvement rates on those properties still liable for them. This should be general in its application to all local improvement works with the exception of those which, as is in the case of water and Hydro, will become self-sustaining. This service charge when added to the general tax rate should be kept at a level below that, which would result in an unnecessary number of registered properties.

RAILWAY DEBTS

In considering the financial situation of the area it has been assumed that the debts of the S. W. & A. Railway and W. E. and L. S. Railway will be treated in the same manner as the other debenture obligations of the four communities. The Provincial Government as guarantor of the bonds issued by the Hydro-Electric Power Commission of Ontario for the expenditures on the S. W. & A. Railway would participate equally with bondholders in the debt settlement. If there is any material scaling down of this debt, as a justification for which, substantial arguments might be advanced, it would, in effect, constitute a payment by the Province to the bondholders of the area by reason of the increased annual sums which would be made available to them.

REGISTERED PROPERTY

THE MUNICIPAL CORPORATION AS A PROPERTY OWNER

It is inevitable that for some years the municipality will be the largest real estate owner in the district. As of December 31st, 1934, more than six and one-half million dollars worth of property had been registered and if this registration was enforced in accordance with the power conferred by the law this amount would be very considerably increased. While we feel that the authorities should continue to use the remedy of registration as a last resort only, it is inevitable that the amount of property in the hands of the city will be largely increased. Many people have been holding what is generally regarded as "good" property which has cost them a great deal and to which they cling in the hope of some return of property values. Through discouragement and exhaustion of resources, these people will be forced to give up their property. Everywhere in the area, property is being abandoned and there are many instances where buildings are being torn down or moved to other localities to escape city taxes. There is a general crumbling of property value which must continue until the financial affairs of the city are placed on a settled basis to make property once more an asset to its power. Unless this can be accomplished it is not unreasonable to expect that additional properties now representing many millions of assessment will pass to the city.

NECESSITY FOR MANAGEMENT

Preparations should be made for dealing with registered property in accordance with its value and extent. The amount of property involved merits a definite plan of management and control and should not be dealt with in an offhand or piecemeal basis. The essential things to be remembered are these:

(1) Property registered prior to the date when refinancing is made effective belongs to the creditors and the proceeds should not be diverted to any other use.

(2) It should be disposed of under conditions which will benefit the city and the creditors, being sold only in conformity with the by-laws and policy of the town planning authority and to people who will and can use it. None of it should be released for speculation or under conditions where it is likely to revert to the city again in a few years. As a matter of equity to taxpaying property owners cut-price sales of registered property should not be used to destroy the value of their holdings. The result of such a policy could only be to increase the total amount of property on the city's hands and to reduce tax collections.

(3) This problem is of quite sufficient extent to warrant it being placed under a full time official of demonstrated ability to be known as Property Manager. This official should be under the jurisdiction of a Property Commission consisting of the General Manager of Public Utilities, the Commissioner of Public Services, the Comptroller and the City Clerk and Solicitor.

HOUSING COMMISSION

The various housing schemes have resulted in losses and must result in still further losses. Two contracts might be exactly the same as far as book entries are concerned but entirely different because of the willingness and ability of the owner to pay. For this reason each contract must be treated on its merits. We recommend that these properties be placed under the same control as that for registered properties.

PRESERVATION OF PROPERTY VALUES

In revising the assessments of the four municipalities and in comparing them with valuations obtained on various parcels of residential and commercial property, there is one aspect which appears to be outstanding.

The appraised and assessed valuations in Walkerville are in close agreement. In the other communities, the assessed valuations on vacant and residential properties are much in excess of the present appraised value. This same relation applies in somewhat lesser degree to business property. This leads to one or other of two conclusions—properties in Walkerville have either been under-assessed as compared with other areas or their values have been more generally sustained while those elsewhere were declining.

ORDERLY DEVELOPMENT AND PROPERTY VALUES

It is our finding that the latter alternative is correct and this preservation of values has arisen from the orderly and regulated development of that community. There is no intrusion of industry into residential areas. Business establishments, apartment districts and residential areas have been kept in their proper place. The character and value of homes coincides with the general desirability of the location in which they have been erected.

In no other part of the district does this apply to any degree. Homes, business and industry are all intermingled to their common disadvantage, although there are a few small areas where there has been some effort made toward regulation. In any complete reassessment of the district, it is altogether probable that there will be a lesser percentage reduction in Walkerville than throughout the area generally.

In order that properties in Walkerville may not suffer deterioration, we recommend that any and all existing property rights and restrictions and zoning regulations now in effect be preserved and retained. We further urge the zoning of the entire city at the earliest possible moment so that neighbourhoods may be protected against further devaluation through the intrusion of undesirable structures and misplaced activities. This might very readily follow as a result of sales of property at distress prices.

TOWN AND DISTRICT PLANNING—AN ECONOMIC NECESSITY

The essence of town planning is regulated control and permanence. While some plans are better than others there are many which, over a long term of years, would bring satisfactory results. And as between different plans, time only would finally establish the pre-eminence of one over the other. If, however, their permanence depends on annual elections they are of no value whatever.

The amalgamated area will be in need of very careful town planning and this should be worked out by the Utilities Commission. When a comprehensive plan, including a complete renaming and renumbering of streets is worked out and zoning by-laws drawn up for the area they should be published in detail with the necessary maps. After ample time has been allowed for the hearing of objections and the making of revisions if they are found desirable, the plan should be submitted to the Municipal Board. Once approved it will be subject to change only on the order of the Municipal Board. In no other way can property values be preserved. A great deal of the future possibility of success depends on getting future population located in the area where there are services already and the surest way to do this is to have development so planned as to make it to the advantage of the people to so locate.

Adequate room for business expansion should be provided but people's property should not be confiscated by assessing it at business valuations years before there is any business available.

There are in the Border Cities many old frame houses, kept in repair to 1929 and since neglected, so that they cannot be brought back to proper condition again. A plan should be worked out which would tend to their gradual elimination and replacement by modern buildings suitable to the location in which they are built.

WATER

(a) PHYSICAL UNIFICATION

The Essex Border Utilities Commission filters all the water required for the area and delivers it by gravity to two pumping stations, one, the privately owned plant of Hiram Walker-Gooderham & Worts, the other the municipally owned

plant of the City of Windsor. The former furnishes water to the Walkerville-East Windsor Water Commission, which provides water for the citizens of Walkerville and East Windsor, and to part of the Town of Riverside and the Township of Sandwich East. The Windsor Pumping Station supplies the City of Windsor, the Towns of Sandwich, Ojibway and LaSalle and portions of the Townships of Sandwich East, West and South. The bulk of the water distributed outside the City of Windsor is handled through the Essex Border Utilities Commission. Bills are rendered to the Utilities Commission by the City of Windsor for water so delivered and it in turn collects from the various municipalities by means of master meters at the municipal boundaries.

PHYSICAL UNIFICATION NOT YET POSSIBLE

In combining the three water-distributing agencies in the area, namely, the Walkerville-East Windsor Water Commission, the Windsor and the Sandwich Water Boards, the immediate economies are only those which may be effected through a consolidation of the clerical and service departments. The pumping stations and distribution systems cannot be physically created into a single unit without major capital expenditures. Until such time as the communities are in a position to raise funds on capital account the obstacles in the way of physical union of the two systems will require them to operate without any material change from that now in effect. The differences involved are largely engineering in character and are briefly set forth in the appendix.

(b) FINANCIAL CONSOLIDATION

Financial unity can be effected only after mature care and consideration. Each unit operating independently, has demonstrated its ability to meet all its obligations without excessive charges for water.

In five years of operation the Walkerville-East Windsor Commission has created a cash surplus of \$128,000. A definite policy of creating a surplus has been followed by the Commission in view of the unsettled conditions prevailing in the area which it serves. This was believed to be a sound policy by reason of an unusually high percentage of the residents of East Windsor being in receipt of welfare. It was simply a contingency reserve to meet any condition which might arise. That Commission is now in a position to meet the debenture obligations payable by the partner municipalities on filtration account to the Essex Border Utilities Commission and to relieve them to the extent of about \$18,000 annually.

(c) REVENUE

The income of any water organization is derived chiefly from two sources—fire protection and customer revenue. Charges for fire protection are frequently determined on the basis of hydrant rental or, as an alternative, it may be a fixed sum or collected on the basis of the property at risk. If a community is scattered it requires a higher percentage investment for fire protection than if it is concentrated on a smaller area. As a means of comparing the cost of fire protection on a separate basis and on the assumption that the systems would be unified, the following tabulation is set forth:—

	East		Windsor	Sandwich	Total
	Windsor	Walkerville	Windsor	Sandwich	Total
Present fire protection cost.....	\$14,480	\$13,200	\$76,125	\$15,000	\$118,785
Percent. of Total Cost.	12.2	11.1	64.1	12.1	100.00
Cost on Adjusted Assessment Basis.....	15,900	19,200	72,450	11,235	118,785
Percentage on New Basis.....	13.4	16.2	61.0	9.4	100.00

This indicates that the cost of fire protection is shifted from Sandwich and Windsor to the upstream communities, to the extent of \$7,440, of which \$6,000 is contributed by Walkerville.

(d) DIVISION OF ASSETS

East Windsor and Walkerville as partner municipalities have equities which require to be definitely established both in the capital structure of the distribution system and in the operating surplus. If divided on an actuarial partnership basis taking into consideration the obligations of the two partners to the Commission it appears that much the larger share will become the property of Walkerville.

It is doubtful if the administrative economies alone, arising from a co-ordination of the clerical staffs would effect a saving sufficient to compensate East Windsor and Walkerville for the additional share which they might be required to assume for fire protection.

The assets of the three systems should not be pooled and utilized for the general wellbeing of the area as a whole. Definite adjustments will require to be made to bring them to a parity.

Until such time as more mature consideration can be given to both capital and current assets and liabilities it is recommended:—

1. That the cash surplus of each Commission be considered an asset of the area producing it and that arrears be collected from and be considered a charge against that area.

2. That the revenue from each Water Commission be credited to the area now paying it and that this continue until refinancing is complete and all adjustments arising from consolidation can be effected.

3. That no refinancing of the bonds of the Walkerville—East Windsor Water Commission be considered or undertaken. This Commission has been able to pay readily and in full all the maturing principal and interest upon its bonds as they fell due. There is every indication that, if left undisturbed, the revenues are sufficient to continue such payments until the total bond issues are discharged in full.

This Commission of Inquiry points out that the bonds of that Commission are of its own creation and are not direct obligations of the municipalities, therefore, as a matter of general public policy, their integrity should be preserved.

HYDRO ELECTRIC SYSTEMS

The rates to domestic, commercial and power consumers throughout the area are uniform although the rate paid the Hydro-Electric Power Commission varies from \$28.00 per H.P. in Windsor and Walkerville to \$32.00 and \$32.49 in East Windsor and Sandwich respectively.

The Windsor and Walkerville systems own their own sub-stations and purchase their supply of power from the Hydro-Electric Power Commission of Ontario at 26,400 volts. The East Windsor and Sandwich systems purchase power at 4,000 volts through stations owned by the Ontario Commission. In the merging of the four systems it would be necessary to purchase the East Windsor and Sandwich sub-stations so that the combined incoming load can be measured at 26,400 volts. These stations would be operated either by remote control or be manually operated throughout the day.

It has been estimated by Hydro officials that the capital expenditures required for the above purchase would be approximately \$100,000. If the various sub-stations were inter-connected and voltage regulators installed on domestic feeders similar to those on the Windsor system, there would be an additional expenditure of about \$80,000. The physical condition of the distribution systems in each of the four municipalities compares favourably. The type of equipment and method of construction is similar throughout the area.

There appears to be a variation in the financial condition of the four systems as revealed by the relationship of their net debt to total assets. These are as follows:

East Windsor.....	30.3%
Walkerville.....	21.4%
Windsor.....	38.3%
Sandwich.....	36.5%

It should be noted that the City of Windsor has spent a very substantial sum on voltage regulation which would require to be duplicated throughout the area in order to make them financially comparable. The rapid population increase in Windsor required capital expenditures which could not be met from revenues as was the case in Walkerville.

In unifying these systems there would probably be some slight lowering of the total peak load. Regardless of any reduction in this respect, the cost of power requires to be met through the medium of the "13th" bill. That this is a material factor is evidenced from the fact that all four systems had an operating deficit for last year on receipt of this bill. The peak in Walkerville is an industrial one occurring at 11.30 a.m., while in Windsor, due to domestic and lighting demand, it occurs for 8 months of the year at 5.30 p.m.

In Walkerville the Town has borne the entire cost of the lighting system while in Windsor the difference in cost between ordinary and ornamental lighting standards is paid by the property owner as a local improvement. The exact relative position of the Hydro Systems is thus not clearly defined.

They can be unified and operated with reasonable satisfaction without immediate capital expenditure. In this respect they are in contrast to the unification of the water systems. Office properties and display rooms are maintained in three municipalities and the final disposition or use of these can be determined only when it is possible to integrate the office staff in one location.

We do not feel that we are in a position to detail the manner in which this is to be brought about.

We recommend that the same course be followed with respect to an equitable division of the assets and surplus, giving due consideration to debenture obligations as suggested in the unification of the water systems.

THE ESSEX BORDER UTILITIES COMMISSION

This Commission was incorporated in 1917 and while it was originally intended that it should be created to take over the operation and management of the street railway system, the subsequent presence of the Hydro-Electric Power Commission of Ontario rendered this unnecessary.

Its field of activity has been modified until it now serves the Border area in those district problems which relate to Water Supply, Drainage, Health, Hospitalization and District Planning. Since its incorporation, service has been rendered to eleven of the Border communities, as set forth in the tabulation which follows. Tecumseh and Sandwich South are not now represented on the Commission. Its present personnel consists of twenty-one members, of whom five are from the City of Windsor and two from each of the other communities.

Municipality	Filtra- tion Plant	Sewerage	Reports and Town Planning	Water Mains	General Hos- pital	Drainage	Health Service
Tecumseh.....	No	No	Yes	No	No	No	No
Riverside.....	Yes	No	Yes	No	Yes	No	Yes
Sandwich East..	Yes	No	No	No	No	Yes	No
East Windsor...	Yes	Yes	Yes	No	Yes	No	Yes
Walkerville.....	Yes	Yes	Yes	No	Yes	No	Yes
Windsor.....	Yes	Yes	Yes	Yes	Yes	No	Yes
Sandwich.....	Yes	Yes	Yes	Yes	Yes	No	Yes
Sandwich West..	Yes	Yes	Yes	Yes	Yes	Yes	No
Ojibway.....	Yes	Yes	Yes	Yes	Yes	No	Yes
La Salle.....	Yes	No	No	Yes	Yes	No	No
Sandwich South..	No	No	No	Yes	No	No	No

The distribution of its capital debt with accrued interest to February 1st, 1935, is as follows:

Municipality	Percentage of Debt	Amount
Tecumseh.....	0.05	\$1,223.44
Riverside.....	2.27	55,888.16
East Windsor.....	10.66	261,974.19
Walkerville.....	8.95	220,097.45
Windsor.....	38.85	955,030.34
Sandwich.....	8.97	220,506.41
Sandwich West.....	13.22	323,125.76
Ojibway.....	9.42	231,494.80
La Salle.....	3.02	74,302.36
Sandwich East.....	4.06	99,795.59
Sandwich South.....	0.53	13,037.07
Total.....	100.00	\$2,458,475.57

The entire debenture issue, either sold or deposited as collateral against bank loans, amounts to \$2,411,653.71. Of this principal sum, \$303,970.43 has been retired. Despite those payments, the debt to-day is more than \$50,000 in excess of the original amount. The same staggering effect of allowing interest to accrue would be apparent from a debt study of those municipalities whose interest payments are in arrears. It reveals the urgent necessity of having all finances on a re-established basis at the earliest possible opportunity.

The four municipalities which it is proposed shall be consolidated are responsible for 67.43 per cent. of the Commission's debt. The areas which are not affected by the new incorporation are thus responsible for about one-third of the capital obligation. It has been adopted as a cardinal principle of this report that the debt of each constituent municipal unit shall remain a charge on that area and shall not become, in whole or in part, an obligation of any other unit. On this basis, the new city would not, and very wisely so, assume responsibility for any debts incurred by the outside areas.

After the new incorporation has taken place, the following services will require to be extended to outside municipalities now represented on the Commission:

District Planning.....	All communities.
Water Supply.....	All communities.
Sewerage.....	Ojibway, Sandwich West.
Drainage.....	Sandwich East, Sandwich West.
Health.....	Riverside, Ojibway.
Hospitalization.....	Riverside, Ojibway, Sandwich West, La Salle.

By reason of the necessity for continuing these services, matters will arise which will affect their mutual well-being. The desires and needs of the adjoining areas, particularly when they are required to pay for services and debt charges, should be recognized and provided for through the medium of self-expression.

The debt feature of this Commission is one which requires very careful consideration. In our opinion, it can be determined only after the debt-paying ability of all its constituent units has been ascertained. The compromise with its bondholders will be a weighted average of the individual debt settlements. In view of this debt feature, coupled with the fact that the debt must not be assumed by the new city and having in mind that the bondholder must in the meantime have some body with which to deal or which can issue new bonds, we hesitate to disturb the status of the existing Utilities Commission. If any other Commission is to take over and operate its assets it should, as a complement, assume its liabilities. This cannot be done. Rather than have its functions assumed by various organizations such as the new Council, a new Commission or new Boards of Governors or Planning Boards, we believe it would be a logical line of procedure to have the present Essex Border Utilities Commission retained with modified representation, with its present powers extended so as to enable it to handle all matters relating to water purification and distribution instead of being limited to purification only. The operation of the Hydro system could very readily form part of its activities and provision should be made for these changes.

We therefore recommend:

1. That the Essex Border Utilities Commission continue to function as the Utilities Commission for the new City and the Area and that it be known as the Windsor Area Utilities Commission.
2. That the personnel of the Commission consist of nine members, the Mayor of the new city and one taxpaying resident from each of the five wards and to be appointed by the city council but not a member thereof subject to the approval of the Windsor Finance Commission. These appointments shall be so arranged that one member retire each year to be replaced by a new member appointed for five years. One member shall be appointed for a five-year term by the council of Ojibway, one jointly by the councils of Sandwich West and La Salle, and one jointly by the councils of Riverside and Sandwich East for a five-year term. In the event that councils having joint representatives are unable to agree on an appointee, he shall be named by the County Judge; but he shall be a resident taxpayer of one or other of the municipalities which he represents.
3. That members of the Commission shall vote only on matters to which their municipality contributes either on current or capital account.
4. That the Budget of the Commission shall be subject to the Windsor Finance Commission in the same manner as the budgets of the city departments.

In making the foregoing recommendations with regard to the Windsor Area Utilities Commission we recognize the desirability of enlarging the scope of the City Council's authority and suggest that, when the debt structure of the new municipality and of the Windsor Area Utilities Commission has finally been reorganized and it becomes possible, through adjustment of assets, annexation, or both, to completely restrict the scope of the Commission's operations to that of the City,—that such administrative units as Board of Health and Welfare, Hospital Board of Governors and District Planning be set up more definitely as parts of the Civic Administration, leaving the public utilities only in charge of the Windsor Area Utilities Commission.

SANDWICH, WINDSOR AND AMHERSTBURG RAILWAY

The problems attaching to this enterprise embarked upon by the four units comprising the amalgamation area and the other municipalities partners herein, present a peculiar and difficult aspect.

The future of the railway is not sufficiently assured and its financial obligations are too beclouded to permit of any well defined policy being established at this time.

Until the air is cleared it is recommended that the railway remain as at present managed, but that as soon as a financial settlement between the municipalities and the province is determined on the management be transferred to the Windsor Area Utilities Commission.

STAFF PERSONNEL AND WAGE ADJUSTMENTS

The unification of departments and services must of necessity involve a reduction in staff. It will also require an equalization of wages as between the staffs of the separate units and as between individuals rendering similar services in different departments. Elsewhere in this report are specific recommendations as to the manner in which the staff of the new city is selected. To amplify those recommendations we suggest the observance of the following general principles:

(1) That employees who have rendered long and faithful service be placed on a fair retiring allowance if through age or inadaptability their duties can be more efficiently performed by other employees. This move is sound, economically.

(2) That all positions be filled in so far as possible by persons now in the employ of the four areas and that the departmental heads be selected by reason of their proven capacity to administer the affairs of that department successfully. Where qualifications are equal, length of service should be a determining factor. Subordinate positions should be filled on the same basis. Reasonable consideration should be given to the responsibilities which the employees may have with respect to their investment in city properties.

In a previous paragraph in this report we dealt with "Increased Revenue" and "Decreased Costs." We have stated that decreased costs could be reached mainly through personnel, both as to numerical strength and remuneration paid. In view of the wage reductions in varying degrees to which most civic employees have already been subjected, it is with some reluctance that we state that further reduction must be made.

The wage schedules in the new city cannot be compared with those of similar departments in other communities. The sole and single reason for this statement is that there is not money available for remuneration on an equal scale. There is no other community in Ontario comparable in size to this area which is insolvent and of the many which are in default the majority of them are not in arrears as to interest. The three departments of the Civic Administration which absorb the large share of tax revenue are Education, Police, and Fire Protection.

SCHOOL COSTS

Not including debt charges, the gross cost per pupil in average attendance in the public schools varies as follows: \$35.06 in East Windsor, \$58.78 in Walkerville, \$55.09 in Windsor and \$44.29 in Sandwich. While the items which make these totals vary widely, in the case of pupil supplies from about \$0.28 to \$1.75, the chief difference in unit cost is in teachers' salaries, which in the public schools average \$894 in East Windsor, \$1,498 in Walkerville, \$1,531 in Windsor and \$1,084 in Sandwich. The difference in Collegiate salaries are not so great and may more readily be equalized. The technical school salaries average slightly higher than collegiate salaries. Equalization here should be easily effected. If, however, there is to be a standardization of salary rates for public schools throughout the area it will be necessary to effect reductions in the high salary areas and consider-

able increases in the low salary areas. The total result must be a material net reduction in cost, if the suggested operating budget of \$3,250,000 for the whole area for all services is not to be exceeded. The adoption of a uniform schedule over the whole area, which will undoubtedly be necessary, does not mean that the full effect of increases will be reached at once. If the salaries to teachers in the low salary areas start where they now are and are gradually increased by the normal increments of whatever schedule may be adopted the maximum effect may not be reached for some years.

It is as essential that as much care be taken and as much economy exercised in budgeting educational expenditures as in budgeting any other expenditures, particularly as school costs form such a large proportion of the total costs.

This Commission recommends that:—

1. A schedule be adopted for public school salaries applicable to the whole area but with minima and maxima so set that the total salary and wage list shall be largely reduced.
2. A similar schedule be set up for secondary teachers, both collegiate and technical, technical salaries on the average to be no higher than collegiate.
3. That all accounting, purchasing, plant operation and plant upkeep be centralized in one official with full authority to decide on the personnel establishment of each administration unit and to engage, promote and discharge all employees in his department.

POLICE AND FIRE DEPARTMENTS

A statistical tabulation of the personnel and remuneration of these departments is submitted herewith:

POLICE DEPARTMENT

	East				
	Windsor	Walkerville	Windsor	Sandwich	Total
Total Salaries (Employees performing Police Work only).....	\$16,584	\$20,223	\$132,618	\$12,400	\$181,825
Number of Employees.....	11	12	78	9	110
Average Salary.....	\$ 1,508	\$ 1,685	\$ 1,700	\$ 1,378	\$ 1,653
Population per Officer.....	1,359	812	809	1,213	897
Salaries of Employees (other than above).....		\$ 360	\$ 17,650	\$ 700	\$ 18,710
Grand Total of all Salaries..	\$16,584	\$20,583	\$150,268	\$13,100	\$200,538
Total Employees.....	11	13	90	10	129
Average Salary.....	\$ 1,508	\$ 1,583	\$ 1,669	\$ 1,310	\$ 1,617
Expenditures for 1934.....	\$21,618	\$25,307	\$167,104	\$16,268	\$230,297
Cost per Capita.....	1.45	2.60	2.64	1.47	2.33
Cost per \$1,000 Assessment	1.55	1.54	2.53	1.79	2.18

FIRE DEPARTMENT

	East Windsor	Walker- ville	Windsor	Sandwich	Total
Total Salaries.....	\$16,848	\$31,004	\$103,270	\$ 8,837	\$159,959
Number of Employees.....	14	18	60	7	99
Average of Salaries.....	\$ 1,203	\$ 1,723	\$ 1,721	\$ 1,119	\$ 1,616
Population per Fireman....	1,068	542	1,050	1,560	996
Expenditures, 1934.....	\$17,949	\$34,766	\$120,574	\$11,415	\$184,704
Cost per Capita.....	1.20	3.56	1.91	1.05	1.87
Cost per \$1,000 Assessment	1.29	2.14	1.82	1.25	1.75

It is apparent that there are wide variations in the remuneration to employees in these departments in the various municipal units. It will be necessary to establish maxima and minima schedules for these departments as well as for the Board of Education and the same general recommendations apply in order that similar operating economies may be effected.

Schedules should be established over the whole area for salaries and wages and proportional reductions or increases should be made which will produce equity throughout the civic personnel. The disproportionate reductions which some employees have already received as compared with others merits consideration in making these adjustments.

NAME OF CITY

Since it has already been announced that "Windsor" will be the name of the new City, your Commission has not considered the question of name beyond agreeing that if the name of any of the existing municipalities is to be used, Windsor is the logical choice.

There are firms, however, particularly in Walkerville, chiefly Hiram-Walker & Sons, and to a less extent, Parke-Davis Company Limited, to whom the name "Walkerville" has assumed almost the value of being part of their Trade-Mark. While we recognize that it is a Federal matter, we suggest that the Government use its good offices to preserve the name of Sandwich in connection with the Post Office there, and the name of Walkerville with respect to both the Post Office and the Railway Station in that town. This will permit the use of labels, trade-marks and other such purposes as may be desirable.

PART III

THE MUNICIPAL ORGANIZATION OF THE NEW CITY

THE PURPOSE OF A MUNICIPAL CORPORATION

A municipal corporation is simply an organization of citizens locally, to provide for themselves collectively, those necessary services which they cannot so well provide for themselves individually. It is evidently highly desirable that the corporation be so organized that these services may be secured with the greatest efficiency and economy, that is, with the least waste and the least cost. Under conditions existing in the area of the proposed new city, it is not only highly desirable but absolutely essential, if basic services are to be maintained and a reasonable settlement with creditors made possible. This is not a theory, but a fact, which has been amply demonstrated in previous sections of this report.

NECESSITY OF STRONG FINANCIAL CONTROL

It is very evident that there must be rigid control of revenues and expenditures during the early years after amalgamation, and particularly in the first two years during which the lines of the new City administration are to be laid down, its personnel establishment determined, overhead, operating and protective departments set up and services amalgamated, co-ordinated and equalized. It is equally evident that this will not and indeed cannot be done, without the establishment by the Government of a strong Finance Commission with adequate control over the budget, appointments and the re-formation and co-ordination of departments. We believe that such a Commission should be small, that the majority of its members should be appointed and that the elected member or members should be chosen from among those who pay taxes on real property. This Commission therefore recommends:

CONSTITUTION, DUTIES AND POWERS OF THE WINDSOR FINANCE COMMISSION

1. That a Windsor Finance Commission of three members be created.
2. That two of these be appointed by the Lieutenant-Governor in Council, one to represent the general interest of the province and one to represent the interests of the creditors.
3. That the third member be elected for a three-year term by those citizens of the new municipality who pay taxes, but that the Lieutenant-Governor in Council immediately after the passing of the enabling legislation appoint a resident of the Border Area to act as Commissioner in lieu of the elected Commissioner until such time as the first election is held.
4. That the Commission be given authority to prepare the draft budget during the transition period later referred to, and as long as it functions, no budget shall be passed without its consent, including those of the Board of Education and all other Boards and Commissions.
5. That it shall have the right and duty to pass on all appointments of department heads, including those of the Board of Education and all other Boards and Commissions with the exceptions of the Police Commission and the Separate School Board, but that during the period of transition later referred to, they shall make all such appointments.
6. That it shall determine the number and scope of administrative departments and their co-ordination.
7. That it shall act through a Comptroller, appointed by and responsible to itself, who shall be the chief executive officer of the Commission and advise the Commission on the budget, appointments of department heads, departmental organization and such other matters as are referred to him by the Commission. The Comptroller shall have the right to sit with the Commission and enter into its discussions, but shall not have the right to vote.
8. That through the Comptroller it should establish throughout all the services equivalent grades of work and rates of pay not only within the direct civic services but in all local Boards and Commissions operating in the area.

ADVISABILITY OF UNITARY CONTROL

We believe that during the transition period, the Windsor Finance Commission should possess all the powers of the City Council and Board of Education, including the right to pass the by-law levying the rates for 1936. This transition period shall be for a period of six months from the date fixed by the Lieutenant-Governor in Council for the coming into effect of the unifying legislation.

CONSTITUTION, DUTIES AND POWERS OF CITY COUNCIL WHEN SET UP

This Commission therefore recommends:

1. That when a City Council is set up, it should consist of a Mayor elected at large for a one-year term, ten aldermen elected from five wards, the boundaries of which are set out in the appendix, two aldermen for each ward, all after the first year, for a two-year term.

HONORARIA

As a matter of justice, sufficient sums should be provided as honoraria to the Mayor and Aldermen to ensure that they shall not be seriously out-of-pocket as a result of rendering public service. This Commission recommends, therefore, that annual honoraria of \$1,000 be paid to the Mayor and of \$250 to each of the Aldermen. This would enable any citizen who desires to serve in either of these capacities to offer himself as a candidate, while at the same time the payments suggested are not sufficiently large to make their receipt an end in itself, irrespective of the desire and ability of the candidate to give public services. If the Council refuses to waste its time on executive details, but leaves these to the appointed officials who are paid for the work, it will be unnecessary for members of Council to devote an inordinate amount of time to their proper policy deciding, appointive and supervisory powers.

2. That the municipal franchise be restricted to taxpayers.

The Commission is of the opinion that the internal organization of the City Council should be as simple as possible and therefore recommends:

THE FINANCE-EXECUTIVE COMMITTEE OF COUNCIL

1. That the Council have only one standing Committee to be known as the Finance-Executive Committee consisting of the Mayor and two members elected annually by Council.

2. That as a Finance Committee it prepare the draft current budget for consideration and amendment by Council and final passage by the Windsor Finance Commission.

3. That, as Executive Committee, it carry out the duties of Council between meetings, and recommend to Council, for transmission to the Windsor Finance Commission, all appointments of department heads and all changes in departmental organization.

4. That this Finance-Executive Committee co-operate in the closest way possible with the Windsor Finance Commission and constitute the main link between the two bodies.

5. That Council consider all matters not delegated to the Finance-Executive Committee by special temporary committees or committee of the whole.

Before proceeding to the consideration of the other policy-forming organizations, such as the Board of Education, or of the various administrative Boards and Departments, this Commission wishes to draw your attention to its position with regard to the City audit.

THE CITY AUDIT

In our judgment this should not be regarded as an administrative department nor the City Auditor as a civic official. The auditor is appointed in the interest of the citizens and taxpayers and should be in as independent a position as possible.

This Commission therefore recommends:

1. That the City Audit be an "outside" audit.
2. That the City Auditor be a professional auditor, or the head of a firm of professional auditors, in private practice.
3. That his appointment be made by Council subject to the approval of the Windsor Finance Commission.
4. That his appointment be for good behaviour and during satisfactory service and that he be not discharged except with the concurrence of the Windsor Finance Commission.
5. That he be the auditor of all local School and Civic Boards (except the Separate School Board) and Commissions operating within the area of the new municipality.

BOARDS AND COMMISSIONS

It is our opinion that the new city will not be able to afford boards and commissions other than those absolutely necessary by statute or otherwise. In all other cases, boards and commissions should be abolished and the administrative functions thereunder amalgamated with those of civic departments or with those of boards or commissions retained or established. It recommends, therefore:

1. That there be only two school authorities in the area, i.e., the Board of Education and the Separate School Board.
2. That all public utilities be co-ordinated under a Windsor Area Utilities Commission.
3. That the public library be administered as a sub-department of a civic department.

4. That the police be administered by a Police Commission established according to existing legislation.

5. That the Public Health and Social Service activities (as distinct from direct relief) be co-ordinated under a Board of Public Health and Social Service.

6. That public parks be operated as a section of the Department of Public Service.

THE BOARD OF EDUCATION

The Board of Education of the new City should administer the Public and Secondary Schools, including in the latter, technical and vocational schools. In this way alone can the various grades of education be adequately co-ordinated and overhead cost reduced to a minimum. In the judgment of this Commission the Board should be as small as possible consistent with adequate representation.

The Commission recommends:

1. That the Board of Education have seven members, five elected by Public School supporters, one from each ward for two-year terms and two appointed by the Separate School Board.

2. That the Board of Education, hereinafter referred to as the Board, administer all schools in the new City except Separate Schools.

While this is not the logical place to discuss the executive organization under the Board, in order to avoid confusion, the recommendations of the Commission on this matter are set forth as follows:

1. That the Board carry on the executive work under its charge through two administrative officials, i.e., a Superintendent of Schools and a Secretary-Treasurer and Business Administrator.

2. All appointments to the teaching and supervising staff of all types of school under the Board should be on the nomination of the Superintendent and all promotions, transfers and separations from the service should be on his recommendation. In general the Superintendent of Schools should be the chief advisory and administrative officer of the Board in all educational matters. This will tend to continuity of policy as well as efficiency and economy.

3. That the Secretary-Treasurer and Business Administrator be the chief administrative official of the Board in all matters not directly educational. He should be not merely the chief secretarial and accounting officer of the Board. He should, under the Board, be in full charge of all purchasing, all accounting including stores control and the operation and maintenance of the school plant. Without exception he should be given adequate authority to control all business and operative divisions of the Board's work and should be held responsible therefor. All appointments in the departments or divisions under his control should be made by him subject only to confirmation by the Board.

4. That as long as the Windsor Finance Commission is continued, the appointment of the Secretary-Treasurer and Business Manager be subject to confirmation by said Commission.

THE SEPARATE SCHOOL BOARD

The advantages of centralization and co-ordination are just as great in this field as in that of the Board of Education. This Commission therefore recommends:

1. That the Board be made up of five members elected by wards for two-year terms.

2. That the Board administer its schools through an educational officer and a business officer discharging similar functions and possibly with similar titles, to those outlined above for the two chief officials of the Board of Education.

THE BOARD OF PUBLIC HEALTH AND SOCIAL SERVICE

The problems of public health and social service (aside from unemployment relief) are so closely related that they cannot be disassociated and any attempt to do so leads only to duplication and increased costs. The Boards of Health of Ontario now operate under a strong Act and it is proposed simply to enlarge the scope of the Board by including in its field all social service work, including hospitalization of the indigent, family rehabilitation, etc. In order to avoid duplication, this Commission includes in the following not only those recommendations dealing with the Board of Public Health and Social Service itself, but those dealing with the administrative set-up under the Board:

1. That a Board of Public Health and Social Service be set up of five members, appointed by the Windsor Area Utilities Commission.

2. That said Board carry out all functions set out in The Public Health Act and such Social Service functions as may be assigned to them by the Legislature and the City Council.

3. That, subject to confirmation by the Windsor Finance Commission, and the Windsor Area Utilities Commission, the Board appoint as its chief administrative officer a Medical Officer of Health and Commissioner of Social Service.

4. That this officer have the right and duty to attend and participate in the discussions of meetings of the Board, but without the power to vote.

5. That the annual draft budget of his department be prepared by him for submission to the Board to the Utilities Commission and for confirmation by the Windsor Finance Commission.

6. That all appointments in his department be made by him subject to confirmation by the Board and Utilities Commission.

7. That there be set up in the department the necessary divisions of public health administration, a division of medical inspection of schools, a division of public welfare, and a division of hospital for contagious diseases, and such other divisions as may be found necessary.

THE POLICE COMMISSION

The Ontario method of police administration has worked so well and is so fundamentally sound that we have no recommendation except that the provisions of general legislation be applied to the new city.

CLASSIFICATION OF DEPARTMENTS

The foregoing parts of this section had to deal with the machinery which decides on and administers policy through executive officials. For convenience, the executive organization of the Boards and Commissions has been described along with the description of the Boards and Commissions themselves. This leaves to be still considered the policy-carrying-out machinery directly under the City Council. It includes the set-up of what is usually considered the civic departmental organization.

In general, civic departments are of three main types:

1. Overhead departments which do not render service to the citizens directly but to the other departments which do render such direct services. Their function is to render the work of the other departments possible and effective. These departments are finance, including the treasurer, tax collector and accountant, the City Clerk's, Assessment and Law. It is to be noted that the city audit department is not here included among the overhead departments. The City Audit in the interests of independence, safety and even efficiency is not properly one civic department among others, but an entirely independent function performed in the interests of the citizens and taxpayers. The opinion of this Commission in this connection has been stated previously.

2. Operating departments such as Works, including streets, sidewalks, sewers, etc., parks, street cleaning, garbage collection, building inspection, civic garage.

3. Protective departments such as Fire Protection, Police Protection and Health. Police and Health have already been dealt with, leaving Fire Protection under the City Council directly.

This Commission recommends that these functions be distributed among five administrative departments as follows:

- (a) Finance Department.
- (b) Department of Clerk and City Solicitor.
- (c) Assessment Department.
- (d) Department of Public Services.
- (e) Fire Department.

Each of these departments would have an administrative head appointed by Council with the approval of the Windsor Finance Commission. Each department head should have the right of appointing heads of all sub-depart-

ments in his department, subject to the approval of the Council. All other departmental employees shall be appointed by the various department heads on the advice of heads of sub-departments where these exist. In the Fire Department, of course, all appointments should be made by the Fire Chief. By placing all operating service departments under one head, a great deal of the advantage of the City Manager is obtained while the financial and accounting control rests in a separate department. The functions of the Comptroller, previously described, exceeds in some respects that of a City Manager, under usual conditions, in that through the Windsor Finance Commission he will exercise real control over the budget and personnel set-up not only of civic departments but of Boards and Commissions with the exceptions noted. When the new city has established its credit and has been definitely placed on the path of efficiency and economy, presumably the Windsor Finance Commission may be discontinued, in which case, the Comptroller might be transformed into City Manager acting under City Council and administering those functions only which are placed under the City Council. It is doubtful, however, that this will be necessary, if the number of departments be kept to a minimum and if all service departments employing large numbers of men and using large quantities of material be placed under one department head.

FINANCE DEPARTMENT

This Commission recommends:

1. That this department be placed under a qualified City Treasurer, appointed by the City Council with the approval of the Windsor Finance Commission.
2. That the City Treasurer be responsible for the civic accounting—cost records only being kept in the Department of Public Services, and the receipt and paying out of all moneys directly under the control of City Council.
3. That civic stores be under the accounting control of the City Treasurer.
4. That all tax collectors, including collectors of arrears be directly responsible to the City Treasurer.
5. That the collection of all license fees be under the control of the City Treasurer.
6. That the City Treasurer carry on his work in the closest possible co-operation with the Finance and Executive Committee of Council, the Windsor Finance Commission and the Comptroller.
7. That the City Treasurer furnish the Finance Commission, the City Council and the Comptroller each month in a form satisfactory to the Comptroller, statements showing the condition of all appropriations including all encumbrances or commitments, and quarterly at least, an interim balance sheet and an interim operating account, and whenever required, statements of tax collections and accumulated tax arrears.

DEPARTMENT OF CITY CLERK AND CITY SOLICITOR

Particularly during the transition period it is advisable that the Departments of the City Solicitor and City Clerk be combined. In British cities, it is usual that the City Clerk be a Solicitor. This arrangement has obvious advantages. The City Clerk and City Solicitor are direct advisors of Council. The offices are complementary and might well be combined. This Commission, therefore, recommends:

1. That a Department of City Clerk and City Solicitor be instituted under a single official appointed by Council subject to the approval of the Windsor Finance Commission.
2. That in this department the work of the present Departments of the City Clerk and City Solicitor be co-ordinated.
3. That centralized purchasing be established in this department.
4. That the City Library be placed in this department with a City Librarian responsible to the head of the department.

DEPARTMENT OF PUBLIC SERVICES

This department would combine the operating services under Council which are rendered directly to the citizens. This Commission recommends:

1. That a Department of Public Services be set up under a departmental head appointed by Council with the approval of the Windsor Finance Commission.
2. That the Commissioner through divisional officers shall administer laying and upkeep of pavements, laying and upkeep of sewers, maintenance of parks, collection of garbage and waste, street cleaning, garage operation, inspection of buildings and such other duties as may be assigned to him by Council.
3. That serving all operating divisions of the Department of Public Services shall be set up within the department such overhead divisions as cost records and drafting, the former co-operating with the City Treasurer, and the latter with the drafting division of the Windsor Area Utilities Commission.

ASSESSMENT DEPARTMENT

Contrary to wide-spread belief, the functions of this department are not mainly clerical. They demand great skill and judgment, without which an assessment department may be responsible for inequitable valuations through which some taxpayers may be forced to pay part of the proper tax burdens of other taxpayers. Inequitable assessment may even drive some types of business out of existence and may penalize property of certain sorts and in certain sections. The Assessment Commissioner is responsible for the soundness of the basis of, say, 90 per cent. of the direct civic revenue. He is one of the most important

officials of the municipality and should be practically as independent in the administration of his department as the Auditor. These facts cannot be disregarded with safety.

This Commission, therefore, recommends:

1. That all the existing Assessment Departments be co-ordinated into one under a Commissioner properly qualified by experience, ability and character, appointed by the City Council with the approval of the Windsor Finance Commission.

2. That it shall be the duty of the Commissioner to equalize and keep equalized the valuations in the whole area of the new city on fair standards of value as set forth in the Statute.

3. That the Commissioner be supplied with the necessary staff and equipment adequate to make equitable valuation possible, such as valuation cards, valuation maps, lot and block maps, fying equipment, etc.

FIRE DEPARTMENT

It is unnecessary here to comment at length on the organization of this department. It is obvious that it must have a trained and able departmental head, that there shall be good discipline in the force, that the equipment shall be adequate, etc. It is equally obvious that while the personnel and equipment must be placed under one management, that it will be some time before all the benefits of co-ordination can be reaped. It is all the more important, therefore, that the department shall be set up on the most efficient and economical basis possible. The head of the Department should be appointed by Council with the approval of the Windsor Finance Commission. The force should be appointed by the chief. All purchases of equipment should be made by Council through the central purchasing division on his recommendation subject to the approval of the Windsor Finance Commission.

There are many things which this Commission might say about organization in more detail. These, however, are best worked out in the light of experience, and we are of the opinion that if the machinery it suggests is used to the full, and if the co-operation, which is absolutely essential, is forthcoming, the detailed organization will naturally develop along sound and efficient lines.

GENERAL

There are, however, some points on which this Commission feels that an expression of its opinion may have some value. In its judgment, centralized purchasing need not be confined to the civic departments alone, but that an extension of its scope to include all boards and commissions would tend to lessen the burden on the taxpayer by the better prices resulting from the centralization of purchasing department. Such a department would have to be a real purchasing department and not merely a collecting or receiving department. Purchasing is a profession in itself and requires experience, skill, ability and, above all, probity. While the decision as to the materials to be purchased and the speci-

cation which is to govern them should be in the hands of the council or the various boards or commissions, the choice of the source of supply should be at the uncontrolled discretion of the purchasing department.

This Commission is also convinced that the revenue receiving units of the City and its various Boards and Commissions might co-operate to great advantage in establishing joint cashier service, with proper distribution of funds. This should give better accounting and auditing control.

District Planning also requires a tremendous amount of co-operation. While this function is allocated to the Windsor Area Utilities Commission on account of its preponderant interest, the Commissioner of Public Services and City Engineer should work very closely with the General Manager of the Windsor Area Utilities Commission in consideration of all district plans. The Board of Education can also co-operate to great advantage.

It is to be noted that the Public Service Department of the City and the Windsor Area Utilities Commission each has a drafting section. The closest co-operation between these is necessary and possibly complete co-ordination might be effected.

At the present time there are within the area considered by this report 43 public bodies, elective and appointive. The corresponding organization recommended in this report would require 8 public bodies. The personnel of the existing public bodies number 218. Of them 108 are elective. The personnel of the proposed set-up would be 37, excluding duplications. Of these only 21 would be elective.

Such a simplification of the existing complicated machinery should make policy forming and administrative control much easier, more direct, more efficient and more economical. It should be possible to raise the standard of personnel of elective bodies, if there is a smaller membership of these to select, and if the time of members of elective bodies is conserved by the best use of the more centralized executive organization. If the Windsor area is to be lifted out of its difficulties and if the new City is to maintain its position intact, a simple, direct form of administration and control must be established.

In conclusion the Commission wishes to draw attention to the administration chart filed herewith. The chart does not pretend to be exhaustive, only illustrative; and the Commission believes that if this report and the chart are studied together, a better understanding of its recommendations will result.

RELATIONS WITH COUNTY OF ESSEX

With the inclusion of Sandwich in the amalgamation area it becomes necessary that the rights and claims between that town and the County of Essex, of which it has heretofore formed part, be adjusted.

In addition, the existing relations and arrangements between the County of Essex and the other three units, Windsor, Walkerville and East Windsor, will have to be reviewed and new agreements entered into.

We regret that on account of the limited time at the disposal of the Commission and the necessity of dealing with matters of greater urgency it has been impossible for us to bring these matters to a final determination. Some progress has, however, been made and such evidences of a desire to reach mutual agreement manifested that we think there will be no difficulty about reaching satisfactory agreements between the parties on practically all points, and that with respect to such matters as they may not succeed in adjusting they may safely be left to be disposed of under the appropriate provisions of the Municipal Act.

DIVISION INTO WARDS

Your Commission is of opinion that local sentiment requires for some years the retention, as far as possible, of the identity of the present minor units of the area with the wards to be set up for the new City, in order to make sure of representation of each unit on the Council and other elective bodies.

Some difficulty has been encountered in adhering to municipal boundaries and at the same time preserving approximate equality of population per ward. We have, therefore, found it necessary to some extent to depart from the exact municipal boundary to avoid too great disparity in population. Where this is done in connection with the smaller units we have attempted to so draw the ward line as to ensure that no additions to any present municipal unit would be of such extent as to endanger its representation.

The boundaries of the proposed wards are indicated in detail on the ward map accompanying this report. The following is a short description of the ward areas, sufficient for identification, the exact limits being obtainable from the ward map.

Ward I.—Consists of the present City of East Windsor.

Ward II.—Consists of the Town of Walkerville and that part of the City of Windsor lying East of the alley between Hall and Moy Avenues, from the Detroit River to the Tecumseh Road, and also that part of the City of Windsor lying South of Tecumseh Road and East of Marentette Avenue.

Ward III.—Consists of that part of the City of Windsor lying between Ward II and the alley between Windsor Avenue and McDougall Avenue.

Ward IV.—Consists of that part of the City of Windsor lying between Ward III and the alley between McKay and Curry Streets, from the Detroit River to Adanac Street and also that part of the City of Windsor West of the centre line of Curry Avenue from Adanac Street to Tecumseh Road.

Ward V.—Consists of the Town of Sandwich and that part of the City of Windsor lying West of Ward IV.

PART IV.

CONCLUSION

What has been written hereinbefore sets forth our best judgment as to the method by which the amalgamation of the four units of greater Windsor should be effected. We hope that it, together with the great mass of information contained in the returns made to questionnaires sent out to all public departments concerned, will be of some value to those who will be called upon to perform the

most important and difficult function of launching the newly constituted City on its way. It will be a source of satisfaction to your Commission if they can retire from their labours with the consciousness that they have, even in a small way, contributed to the solution of a problem which has been a subject of diversity of opinion to many generations of Borderites.

We desire first to acknowledge the assistance rendered us at the price of an infinite amount of labour by the municipal officials of the four constituent units concerned and of the various Boards of Education and other public boards and commissions of the area through the returns to questionnaires sent out by us. We have also had valuable and carefully prepared briefs presented to us by or on behalf of the following public and semi-public bodies:

The Town of Walkerville, The Essex Border Utilities Commission, The Windsor-Walkerville Vocational School, Walkerville Board of Education, Windsor Board of Education, Roman Catholic Separate School Boards of the Area, The Border Chamber of Commerce, The Walkerville-East Windsor Water Commission, as well as written representations from private corporations, firms and individuals, all of which accompany this report.

As was inevitable, some suggestions pointed the way in exactly opposite directions from that indicated in others, but that fact instead of embarrassing the Commission tended to help it by setting out more clearly the divergent points of view with the arguments in support thereof and tended to ensure that important considerations should not be overlooked.

This may be the proper place to say a word in behalf of several groups of gentlemen who have, under difficult conditions and under much ill-informed criticism, performed well a work of little understood value to the Border area. We refer to the various Committees of Supervisors for the defaulting municipalities of the Border. Without the protection that these Boards gave the community the municipalities would have been subject to endless litigation at the suit of creditors in which those who were the most aggressive would fare the best, municipal services would have been seriously disrupted and, in short, a state not much short of chaos would have ensued.

By their action, economies have been effected, relief to some extent provided for the taxpayer and a basis of operation prepared which, under amalgamation, makes possible, something more than the shadow of a return to the creditors.

We believe that the measures pointed out in the report may bring some degree of stability to the Border which, being assured, will encourage its citizens to new efforts to bring the area back to something like its one time state of prosperity.

(Sgd.) J. J. COUGHLIN,
Chairman.
(Sgd.) H. L. BRITTAIN,
Vice-Chairman.
(Sgd.) S. E. MCGORMAN,
Commissioner.
(Sgd.) J. CLARK KEITH,
Commissioner.
(Sgd.) HERBERT L. CUMMINGS,
Commissioner.

Toronto, April 10th, 1935.

APPENDIX

DEPARTMENT OF PUBLIC WORKS

The services rendered by this department include the cleaning of streets; the removal of snow and ashes; the collection and disposal of refuse and garbage and the general maintenance, repair and replacement of sidewalks, curbs, pavements and sewers.

The construction and maintenance of certain local improvements comes definitely within the jurisdiction of this department. The extent to which these improvements have been provided in the four municipalities is as follows:

	Mileage of Streets	Mileage Paved	Miles of Alleys	Mileage Paved	Miles Side- walks	Per cent. of these im- provements completed
East Windsor..	49.29	30.56	31.00	.50	52.65	39
Walkerville....	29.03	26.03	15.00	10.00	30.00	67
Windsor.....	90.73	84.24	60.00	39.09	142.28	79
Sandwich.....	41.54	25.43	17.81	.40	42.30	38
		<hr/> 166.26		<hr/> 49.99		

NOTE:

It is assumed that there should be two miles of sidewalks for each street mile. There is a wide variation in the services rendered to the citizens of the individual municipalities. With unpaved alleys in East Windsor and Sandwich little, if any, effort is made to keep them clean while weekly cleanups are in effect in Walkerville. Garbage is collected semi-weekly throughout, while ash collections vary from weekly to monthly. Garbage is incinerated through the district except in Sandwich where it is disposed of by dumping with a top dressing of ashes. For unskilled labor the prevailing rate in Sandwich and East Windsor is 40 cents per hour while the other two municipalities pay 50 cents.

The operating budgets in 1934 were as follows:

	Amount	Population	Per Capita
East Windsor.....	\$ 15,521.79	14,954	\$1.04
Walkerville.....	23,215.92	9,751	2.38
Windsor.....	150,950.68	63,010	2.39
Sandwich.....	11,019.71	10,922	1.01

These budgets are very materially reduced from former years. While operating expenses have been curtailed it cannot be said that costs have been reduced as these have been going on in the form of deferred maintenance. In Sandwich and East Windsor last year a negligible sum was provided for street and sidewalk maintenance, and nothing for repair or replacement. Deferred maintenance inevitably leads to more expensive repairs and this in time to replacement. The City of Windsor has consistently carried out a programme of

resurfacing streets with an annual expenditure of about \$30,000. Last year this was cut to \$13,000 which provided a total wearing surface on 1 1/5 miles of streets.

It would be unwise to make a definite statement as to the life expectancy of a pavement or sidewalk. Those laid 20 years ago will not last as long as those of more recent construction by reason of the additional knowledge of road materials and design. An inspection of pavements laid in Sandwich 15 years ago shows that the surface is practically gone and if they are to be saved they should be surfaced without delay. There are at least five miles, or 20 per cent. of the paved streets in that community in this condition. In East Windsor there are six miles of sidewalks which need replacement now. This contemplates a 50 per cent. replacement on 12 miles of walks in bad repair. This will cost about \$3,000 per mile. The resurfacing of a pavement 27 feet wide at the present time costs about \$11,000 per mile with alleys at \$6,000 per mile. These costs are not likely to decrease.

For the purpose of establishing a budget for the continued maintenance of street pavements, alley pavements and sidewalks, a reasonable lifetime expectancy of these works must be assumed. It is our belief that the life of new street pavements, alley pavements and sidewalks can be assumed as 30 years, 50 years and 30 years, respectively. It may be contended that these figures are conservative but the present situation is that these various works are not new and are not representative of present-day practice.

Based on this premise the following maintenance programme would require to be undertaken in case of the four municipalities:

	Street Pavements (miles)	Alley Pavements (miles)	Sidewalks (miles)
East Windsor.....	1.00	0	1.75
Walkerville.....	.87	.20	1.00
Windsor.....	2.82	.78	1.78
Sandwich.....	.85	0	1.41

The annual costs to carry out this maintenance programme would be as follows:

	Street Pavements	Alley Pavements	Sidewalks	Curbs	Total
East Windsor..	\$11,000.00	0	\$5,200.00	\$1,100.00	\$ 17,300.00
Walkerville....	9,600.00	\$1,200.00	3,000.00	1,000.00	14,800.00
Windsor.....	31,000.00	4,700.00	5,300.00	3,000.00	86,300.00
Sandwich.....	9,300.00	0	4,200.00	1,000.00	14,500.00
					<hr/> \$132,900.00

East Windsor and Sandwich are apparently relieved of maintenance costs with respect to alleys. A uniform system of garbage collection with motorized equipment will require that these alleys be paved or hard surfaced. At the present time they are passable at certain seasons with horse-drawn vehicles only. By reason of the deferred maintenance in Sandwich and East Windsor over a period of three or four years, the money available in these two areas should be increased by 50 per cent.

From a study of the Board of Works personnel in East Windsor and Sandwich it is evident that there are insufficient men to maintain the standards of maintenance now prevailing in Walkerville and Windsor even on their present reduced budgets. It would appear that the staff in East Windsor and Sandwich would require to be increased for six months by nine and six men respectively.

It should also be noted that the Board of Works equipment for these two areas is either so aged or in such a state of disrepair as to require immediate replacement. Both communities require either new horses or wagons or new trucks, depending on the policy adopted. This would cost each community between \$500 and \$1,000 a year.

In reviewing the situation with respect to the disposal of domestic and trade wastes, it is evident that repairs are needed to the incinerator at East Windsor while a complete overhauling should be made of the plant in Windsor. The Walkerville incinerator is in good condition. These three incinerators have a rated capacity of 113 tons in 24 hours. The Windsor plant is taxed to capacity at certain periods of the year. Provision will require to be made for the incineration of garbage from the Town of Sandwich which will vary from five to ten tons daily. The cost of garbage incineration would be about 70 cents per ton. At the present time the garbage from that community is dumped on low-lying areas and covered with ashes.

The plan of the disposal of wastes for the entire area is a matter for further study and report. This is merely intended to show the funds necessary to bring them to some semblance of parity at the present time. These costs summarized are as follows:

	Repairs to Streets, Sidewalks, etc.	Equip- ment	Garbage Incineration	Total
East Windsor.....	\$17,300.00	\$1,000.00	.....	\$18,300.00
Walkerville.....	14,800.00	500.00	.....	15,300.00
Windsor.....	86,300.00	3,000.00	.....	89,300.00
Sandwich.....	14,500.00	1,000.00	\$2,000.00	17,500.00

The sums are in addition to those now provided in the several budgets. It may be argued that the municipalities cannot afford this expenditure of money but it should be borne in mind that these municipal improvements, although guaranteed by the credit of the entire community, are the asset behind the issued debentures. If they are not reasonably maintained so that they afford both comfort and safety to those persons using them, there is likely to be a transfer of population from one area to the other.

REPORT ON PROPOSAL TO PLACE SCHOOL HEALTH SERVICES UNDER THE BOARD OF HEALTH

The value of a school health service being unquestionably established, no space is devoted in this report to a defence of its continuation in the various municipalities under the Board of Health. This report attempts to present briefly the facts which might affect a decision as to whether it would be wise to transfer the responsibility for the operation of medical school inspection from the School Boards to the accepted official health agency, namely the Board of Health.

AREA

The area covered by this report is that which it has been proposed to include in the new or amalgamated City of Windsor.

PRESENT SYSTEM

Up to the present, school health services in the Border Cities have been under the various school boards (nine in number) and have been paid for as for education and not out of general taxes as would be the case if the Board of Health provided the service.

There has never been any uniformity in the school health services as provided by the various school boards. In general, public school boards have tended to provide better and more costly services than those provided by separate school boards.

This lack of uniformity has become still more marked since the onset of hard times. In the Windsor Public System and all Walkerville Schools, costs have been cut (largely by salary reductions) but an attempt has been made to keep the services up to something like the old standard. In most of the remaining School Systems, salaries and personnel have both been cut and services drastically reduced. In the big Windsor Separate School System—the second largest in the Border—the health service has been completely wiped out.

The situation as it stands at the time of writing (February, 1935) is shown on the following table.

EXISTING SCHOOL HEALTH SERVICES (FEBRUARY, 1935)
OPERATING UNDER THE VARIOUS SCHOOL BOARDS

Municipality	ENROLMENT		HEALTH SERVICE PERSONNEL			
	Prim- ary Schools	Second- ary Schools	Doctors	Dentists	Nurses	Net Cost
EAST WINDSOR—						
Public Schools...	1,846	243	nil	1—3 half days per week	1—full time	\$1,097.22
Separate Schools.	2,152	182	nil	1—6 days per month	nil	500.00
WALKERVILLE—						
Public Schools...	1,426	649	1—part time	1—full time	2—full time	6,048.02
Separate Schools.	193	...	....	....	....	.....
WINDSOR—						
Public Schools...	7,902	2,003	1—full time	1—full time and girl asst.	6—full time	15,925.65
Separate Schools.	3,695	.....	nil	nil	nil	.....
SANDWICH—						
Public Schools...	1,420	404	1—part time	nil	1—full time	1,319.76
Separate Schools.	990		nil	nil	nil	.....
W.-W.—						
Technical School.	.....	1,834	1—part time	nil	1—full time	3,118.28
TOTALS.....	19,624	5,315	1—full time	2—full time	11—ful time	\$28,008.93
	24,939		3—part time	2—part time 1—girl asst.		

DISCUSSION

CONSIDER ALL SCHOOL CHILDREN

Under the existing system—

- 12,173 children get medical, dental and nursing service.
- 2,089 children get dental and nursing but no medical service.
- 3,658 children get medical and nursing but no dental service.
- 2,334 children get dental but no medical or nursing service.
- 4,685 children get no service at all.

that is

- 49 per cent. get adequate service;
- 32 per cent. get inadequate service;
- 19 per cent. get no service.

CONSIDER PUBLIC SCHOOL CHILDREN

2,089 East Windsor primary and secondary school children get an inadequate service at a cost per child of about.....	\$0.52
2,075 Walkerville primary and secondary school children get an adequate service (excessive as to nursing and dental services) at a cost per child of about.....	2.67
9,905 Windsor primary and secondary school children get an adequate service at a cost per child of about.....	1.61
1,824 Sandwich primary and secondary school children get an inadequate service at a cost per child of about.....	.72

or

about $\frac{3}{4}$ of the Public School children get an adequate service at a cost of \$1.61 to \$2.67;

about $\frac{1}{4}$ of the Public School children get an inadequate service at a cost of 52 to 72 cents.

CONSIDER SEPARATE SCHOOL CHILDREN

2,152 East Windsor primary and secondary school children get an inadequate service at a cost per child of.....	\$0.23
193 Walkerville primary school children get an adequate service at a cost per child of.....	2.67
3,695 Windsor primary school children get no service at a cost of..	0
990 Sandwich primary school children get no service at a cost of..	0

or

3 per cent. get an adequate service at a cost per child of.....	\$2.67
31 per cent. get an inadequate service at a cost per child of.....	.23
66 per cent. get no service.....	0

CONSIDER SECONDARY SCHOOLS

School Health Service in primary schools is a well-tried and accepted public health procedure.

This is not true of secondary schools. There are only a few places in the Province where such a service is provided and in such places the service is still in the trial stage. However, it should be stated that experience to date is favorable and secondary school health service will likely grow. Legislation recognizing such a service as an accepted public health activity was passed within the last few years and quite recently the Minister of Health has spoken favorably of it. The City of Toronto Board of Health has for the first time an item in this year's estimates for such a service.

In the High Schools in East Windsor, Walkerville, Windsor and Sandwich the health service up to the present has been sketchy and inexpensive. In the Windsor-Walkerville Technical School, however, the cost is \$1.70 per pupil. This is for a medical and nursing service only and cannot be passed as inexpensive.

THE BOARD OF HEALTH PROGRAMME

No programme which fails to include medical, dental, and nursing service can be considered adequate, irrespective of any prevailing local condition.

The Board of Health programme contemplates:

(a) An adequate service for all children in the primary schools.

(b) Retention of some service in the secondary schools—to be extended and developed when, as and if experience here and elsewhere indicates the advisability.

The programme has been reduced to a reasonable minimum due to present financial conditions but the arrangement is such that extension will be easy when times improve.

While a full time service might be considered ideal, it is felt that this is not the time to put such a programme into effect. The scheme herein outlined embraces a full time nursing service and medical and dental services in which both full time and part time physicians and dentists are employed. In all cases, the active head of each of the three major divisions (medical, dental, nursing) is a full time employee. This is considered essential for proper leadership and direction.

As far as possible, persons devoting any substantial part of their time to school health services are absorbed in the Board of Health scheme at approximately their present remuneration. An exception applies in the case of married women, not widows—the continued employment of whom would be contrary to Board of Health and Essex Border Utilities Commission policies.

It is not proposed to bring in any person from outside.

All salaries as set out are intended to be on a "Depression" basis, that is, about 20 per cent. below what would be ordinarily paid. If and when municipal salaries are restored to the old levels the intention would be to raise the salaries set forth in this report in the same way.

In this report it is assumed that dental and other health equipment at present provided in the schools would be taken over by the Board of Health and quarters for the carrying on of health work in the schools would be provided by the School Boards. Additions to equipment would have to be provided, of course, from Board of Health funds, but this is a question for the future as it is believed that the existing equipment would be sufficient for the present.

Since this report covers health service in both Public and Separate Schools, it is perhaps necessary to mention that the intention of this report is that about one-third of the school doctors, dentists, and nurses would be Roman Catholic and two-thirds Protestant. This is not to be construed as meaning, however, that a Protestant nurse or doctor or dentist might not have duties in a Catholic School and vice versa. I understand that in other cities there has been no difficulty on this score.

PROPOSED SCHOOL HEALTH SERVICE TO OPERATE
UNDER BOARD OF HEALTH

MEDICAL SERVICE

Chief School Medical Officer. This is the M.O.H. Salary already provided in estimates of Board of Health.

School Medical Officers:

1 full time (12 months)—(Normal salary, \$4,500) . . .	\$3,600.00	
Motor car allowance for above	480.00	
6 part time (Normal salary, \$1,000)	4,800.00	
1 consultant E.E.N. & T. Specialist	300.00	
1 office girl (12 months)—(Normal salary, \$900)	720.00	
	<hr/>	\$9,900.00

DENTAL SERVICE

School Dental Officers:

1 full time (10 months)—(Normal salary, \$4,000) . . .	\$3,200.00	
4 half time (Normal salary, \$1,500)	4,800.00	
1 girl helper for full time dentist (10 months)—(Normal salary, \$750)	600.00	
	<hr/>	8,600.00

NURSING SERVICE

Full time (12 months) throughout:

1 Supervisor (Normal salary, \$2,200)	\$1,760.00	
Motor car allowance for above	480.00	
14 Nurses:		
10 at \$1,462 (Normal salary, \$1,800)	14,620.00	
4 at \$1,300 (Normal salary \$1,500)	5,200.00	
	<hr/>	22,060.00

MISCELLANEOUS

Transportation—14 nurses	\$700.00	
Medical and nursing supplies	1,000.00	
Dental supplies	1,200.00	
Laundry, repairs, printing, etc.	900.00	
	<hr/>	3,800.00
		<hr/>
		\$44,360.00
Less Government Allowances		2,400.00
		<hr/>
Net Cost		\$41,960.00
		<hr/>

APPARENT ADVANTAGES OF PROPOSED TRANSFER

A school health service as outlined and operating under the Board of Health would appear to have the following advantages as compared with that now in effect.

- (a) Extension of service to all school children.
- (b) Uniformity of service. At present some children receive no service, some an inadequate service, some an adequate service, and some possibly an excessive service.
- (c) Leadership and direction. This is considered important and is only possible if all the small and large services at present existing are fused into one comprehensive service.
- (d) More intimate co-operation with the Board of Health without (it is hoped) loss of friendly relations with educational authorities.
- (e) Extension of the sphere of usefulness of the Board of Health by the acquirement of additional trained health workers available for other than direct school work during certain periods of the year. It is felt that employment of the nurses for twelve (12) months together with the probably availability of the schools would result in better infectious disease control. It would further enable us to protect more pre-school children against diphtheria and would make possible a pre-school service in the future.

COSTS

Present total cost, paid for as education for a service 49 per cent. adequate, 32 per cent. inadequate and 19 per cent. nil, is approximately.....	\$28,000
Cost of Board of Health scheme, paid out of general taxes—providing adequate service for all school children, approximately.....	42,000
Present cost of Walkerville taxpayers for an adequate service (excessive as to nursing and dental service).....per child	2.67
Present cost of Windsor Public School Supporters for an adequate service (the adequacy of medical service somewhat and of dental service decidedly in question).....per child	1.61
Under Board of Health adequate service.....per child	1.68

Health services in all other School Systems not comparable.

Walkerville residents would get less school health service and would pay less.

Windsor Public School Supporters would get more service and pay a little more.

All others would get much more service and would pay much more.

All of which is respectfully submitted.

"F. A. ADAMS,"

Medical Officer of Health.

Windsor, Ontario,

February 12th, 1935.

ADDENDA

ADDENDUM No. 1

As a result of a conversation which I had with Mr. Cummings, I asked Dr. Phair, Director of Child Hygiene Branch of the Department of Health, Parliament Buildings, Toronto, to come to Windsor. Dr. Phair is the accepted authority in this Province on School Health Service. Dr. Phair spent the better part of three days with me and we went thoroughly into our local situation and particularly the question of providing a Health Service for the Primary Schools only. As stated in the original report, Health Service in Secondary Schools is a recent development and many places which have a Primary School Health Service are without such a service in the Secondary Schools. The Primary School Health Service outlined in the following page is the result of our deliberations and it is to be noted that the total cost has been reduced in excess of \$4,000. The service outlined represents, in my opinion, a minimum service for Primary Schools just as my original report represented a minimum service for Primary and Secondary Schools.

DISCUSSION

I think it well to make it plain that there would be practically no Health Service whatever in the Secondary Schools. We would take no responsibility in regard to readmission of children in such schools after an absence. Absentees would be admitted by the Principal, or one of the teachers, and if there was a real suspicion that the child had been absent on account of an infectious disease the duty of the teacher would be to send the child home, notify us, and we would settle the question. We might also consult with the school authorities in respect to the odd child who might be a problem for mental or other reasons, but outside of that no service is contemplated. None of our nurses or medical officers would be in the Secondary Schools on any regular schedule. No routine examination of Secondary School children would be made. In regard to competitive sports we would make no examination of the competitors. It is probable that the school authorities would have to require competitors to supply a certificate of fitness from their family physician. The same arrangement would have to be made in regard to excusing children from physical training, or use of the swimming

pool. We would not make any of the examinations in connection with these matters. First aid in case of accidents would have to be supplied by a teacher and the child sent home to come under care of his family physician.

It is proposed that all the foregoing should apply very largely to the Technical School. There the situation is somewhat different on account of the nature of the school. Injuries due to machines are fairly common and first aid becomes more a problem. However, one of the courses at the Technical School is a course in home nursing and the school authorities employ a graduate nurse to give instruction in this subject and she is paid in the same way as any other teacher. This nurse at the present time looks after admissions, exclusions for suspect infectious disease and first-aid dressings in addition to her teaching duties and probably the Technical School authorities would wish this general system to continue. No provision is made in the table which follows for any payment to this nurse from Board of Health funds. Possibly it would be wise for us to contribute a small amount towards her remuneration so as to bring her, for certain purposes, under our control. That would be a matter of negotiation and and the sum involved would be a small expenditure.

PROPOSED SCHOOL HEALTH SERVICE FOR PRIMARY SCHOOLS ONLY TO OPERATE UNDER BOARD OF HEALTH

MEDICAL SERVICE

Chief School Medical Officer. This is the Medical Officer of Health. Salary already provided in estimates of Board of Health.

School Medical Officers:

1 full time (12 months)—(Normal salary, \$4,500) . . .	\$3,600.00	
Motor car allowance for above	480.00	
1 half time (Normal salary, \$1,800)	1,440.00	
2-3 mornings a week (Normal salary, \$1,080), two at \$864.00	1,728.00	
1 consultant E.E.N. & T. specialist	300.00	
1 office girl (12 months)—(Normal salary, \$900) . . .	720.00	
		<hr/> \$8,268.00

DENTAL SERVICE

School Dental Officers:

1 full time (10 months)—(Normal salary, \$4,000) . .	\$3,200.00	
4 half time (Normal salary, \$1,500)	4,800.00	
1 girl helper for full time dentist (10 months)—(Nor- mal salary, \$750)	600.00	
		<hr/> \$8,600.00

NURSING SERVICE

Full time—12 months throughout:

1 Supervisor (Normal salary, \$2,200)	\$1,760.00	
Motor car allowance	480.00	
12 Nurses:		
10 at \$1,462 (Normal salary, \$1,800)	14,620.00	
2 at \$1,300 (Normal salary, \$1,500)	2,600.00	
		<hr/> \$19,460.00

MISCELLANEOUS

Transportation—12 nurses.....	\$600.00	
Medical and nursing supplies.....	1,000.00	
Dental supplies.....	1,100.00	
Laundry, repairs, printing, etc.....	900.00	
	<hr/>	\$3,600.00
		\$39,928.00
Less Government Allowances.....		2,200.00
		<hr/>
Net Cost.....		\$37,728.00
		<hr/>

THE POSSIBILITY OF THE WATER DEPARTMENT MEETING ITS SHARE OF DEBENTURES LISTED AS RECOVERABLES

In submitting this memorandum it has been necessary to utilize figures which may not be exact. This applies particularly to the sums set up for accrued interest on unpaid bonds. The figures are believed to be sufficiently accurate to set forth the salient facts. The following debentures are those listed as recoverables from the general debt:

TABLE I
DEBENTURE DEBT

	Amount unpaid	Estimated Accrued Interest
WALKERVILLE—EAST WINDSOR WATER COMMISSION		
Walkerville—East Windsor Purchase Debentures..	\$705,040.02	.....
East Windsor Equity (W.-E.W. bonds).....	62,509.87	.....
East Windsor Local Improvements.....	204,059.81	\$55,000.00
E.B.U.C. Debt East Windsor (included in taxes)..	94,580.85	16,000.00
E.B.U.C. Debt Walkerville “ “	130,024.52	22,000.00
	<hr/>	<hr/>
	\$1,196,215.07	\$93,000.00
WINDSOR		
Windsor Water Board.....	\$821,205.90	\$130,000.00
E.B.U.C. Debenture—Filtration Plant.....	560,194.07	95,000.00
E.B.U.C. Debenture—Westerly Distribution Main	39,861.71	6,000.00
	<hr/>	<hr/>
	\$1,421,261.68	\$231,000.00
SANDWICH		
Sandwich Meters and Hydrants.....	\$30,664.82	\$5,000.00
E.B.U.C. Filtration Plant.....	79,309.16	14,000.00
E.B.U.C. Westerly Distribution Main.....	42,643.78	7,000.00
Sandwich Local Improvement Mains.....	158,641.74	28,000.00
	<hr/>	<hr/>
	\$311,259.50	\$54,000.00

WALKERVILLE-EAST WINDSOR WATER COMMISSION

The Walkerville-East Windsor Water Commission is not in arrears either as to principal or interest on its own obligations and has provided a sum to meet its obligations on the East Windsor Local Improvement Bonds. This sum has not been paid to East Windsor due to indebtedness of East Windsor to the Commission which will offset a large proportion of that sum.

WINDSOR

The Windsor Water Commission has provided funds to meet its principal and interest obligations on water account in full from revenue. The sums are in the hands either of the Water Board, the City Council or the Board of Supervisors. The Commission itself has no outstanding bonds, all debentures having been issued by the City.

SANDWICH

The Sandwich Water Board has met its obligations for principal and interest in full from revenue. This does not apply to Sandwich Local Improvement bonds, as the Board had not at any time been expected to meet this obligation. The funds to meet debt charges are in the hands of the Council, Bank or Supervisors.

GENERAL

All debentures will require to be refinanced with the exception of those of the Walkerville-East Windsor Water Commission.

TABLE II

OPERATING STATEMENTS, 1934

	Operating Revenue	Operating Expenditure	Operating Surplus
Walkerville-East Windsor Water Commission.....	\$206,100.73	\$183,152.25	\$22,948.48
Windsor Water Commission.....	298,861.68	274,276.75	24,584.93
Sandwich Water Commission.....	62,160.08	57,850.44	4,309.64
	<hr/> \$567,122.49	<hr/> \$515,279.44	<hr/> \$51,843.05

FIRE PROTECTION

In East Windsor, Walkerville and Sandwich this is met through taxation by a hydrant rental. In Windsor the charge for this service is included in the water bill at a rate of $1\frac{1}{4}$ mills on the assessment of real property. The sums collected are as follows:

TABLE III
FIRE PROTECTION

	Fire Protection	Assessment
East Windsor.....	*\$14,460.00	\$11,300,000.00
Walkerville.....	*13,200.00	13,300,000.00
Windsor.....	76,125.00	60,900,000.00
Sandwich.....	*15,000.00	8,500,000.00
	<hr/> \$118,785.00	<hr/> \$94,000,000.00

On an assessment basis the cost of fire protection varies from 1 mill in Walkerville to 1.77 mills in Sandwich, with an average of 1.26 mills.

To have the water system carry all charges incidental to the operation, *\$42,660.00 of the foregoing would need to be added to the water consumer. This could be included in the bill but would be based on the assessed valuation of the property. A comprehensive study of charges for fire protection has been made by the American Water Works Association and in a city of 100,000 from 20 per cent. to 30 per cent. of the entire revenue should come from fire protection. The over-all district collections for this service is 21 per cent. of the total revenue. The larger the community becomes, the charge for fire protection progressively decreases.

In 1934 the following sums were raised and either paid or placed in a suspense account for debenture purposes:

TABLE IV

Walkerville-East Windsor Water Commission....	\$80,319.51
Windsor Water Commission.....	155,794.92
Sandwich Water Commission.....	14,618.88
	<hr/> \$250,733.31

The debt items which may be considered as properly chargeable to water-works operation and for which the water departments have not been making provision are as follows:

TABLE V

	Unpaid Principal	Accrued Interest	Total
E.B.U.C. Debt, East Windsor.....	\$94,580.85	\$16,000.00	\$110,580.85
E.B.U.C. Debt, Walkerville.....	130,024.52	22,000.00	152,024.52
Sandwich Local Improvements.....	158,641.74	28,000.00	186,641.74
	<hr/> \$383,247.11	<hr/> \$66,000.00	<hr/> \$449,247.11

At this point it is necessary to make two assumptions for purposes of consideration:

1. That the unified Water Department will be required to contribute on account those sums which are now being contributed plus a sum sufficient to retire the sums set out in Table V within an assumed period of 20 years with interest at 5 per cent.

2. That all water-pertaining bonds with the exception of those of the Walkerville-East Windsor Water Commission will be refinanced and that the Water Department will be required to meet only its share of the refinanced bonds.

Under these two assumptions the results would be as follows:

1. Interest and principal retirement 20-year 5 per cent. on \$449,247.11—\$36,000.00. This sum added to the operating expense set up in Table II would make a total operating expense of \$551,279.44, an increase of 7 per cent.

2. All debt refinanced excepting Walkerville-East Windsor bonds:

(From Table I)	Total Principal and Accrued Interest
Walkerville-East Windsor Area.....	\$521,665.18
Windsor Area.....	1,652,261.68
Sandwich Area.....	365,259.50
	<hr/> \$2,539,186.36

On a 4 per cent. 40-year refinancing basis this would require \$128,000.00 per year. If from Table IV is deducted the sum of \$55,618.15, being the amount necessary to meet the Walkerville-East Windsor bonds, the Water Boards provided \$195,115.16 interest and principal for debt reduction which has not been so applied. If their operating statements are satisfactory, and if there is not a constantly increasing amount of water arrears which are not possible of collection, it is believed that no reduction should be made in the amount which is now being collected from the Water Boards on capital account. The water rates in this area are not high and it is believed that the entire sum of \$551,279.44 can be raised from the Water Department. A new rate structure will require to be set up with a fair amount to be paid for fire protection, a service charge for all consumers, graded meter rentals and a uniform charge for water. The element of welfare revenue now available is a very material factor and subsequent revenues from this source would required to be determined within reasonable limits. Further increases in the registration of properties will eliminate revenues now being obtained by Water Boards. If, as is the case in East Windsor, Walkerville and Sandwich, fire protection is removed from the tax rate to the water bill, it should not be erroneously assumed that this would permit an additional mill being derived from the citizens of those three communities.

THE WATER SYSTEMS

UNIFICATION FROM AN ENGINEERING VIEWPOINT

When plans were being prepared in 1920 by the Essex Border Utilities for a filtration plant to serve the entire area, the design was based on the system of distribution in effect at that time. There were two pumping stations, the privately owned plant of Hiram Walker-Gooderham Worts Limited, which distributes water for the Walkerville-East Windsor Water Commission and the municipally owned plant of the City of Windsor. Filtered water is delivered to those two stations by a gravity main. This main varies from 42 inches to 36 inches in diameter. The quantity of water delivered to those two stations is in the ratio of about two to one, or one-third to the Walkerville-East Windsor Water Commission and two-thirds to the Windsor Commission.

The main was designed on this basis and was reduced in size at Walkerville. The size of the main between Windsor and Walkerville is such that it has not sufficient carrying capacity to deliver the entire district supply to Windsor. This involves the retention in service of the two pumping stations. The carrying capacity of this main could be increased by placing it under pressure through the construction of a booster station at the filtration plant. As an alternative, storage capacity could be provided near the Windsor Station which would provide a reserve supply in times of peak demand. Until such time as either of these is done or some other means adopted for increasing the supply at the Windsor Station the two pumping stations will require to be kept in service.

When it has been made possible to secure all the water required for the district from the Windsor Pumping Station it will be necessary to make rather extensive changes in the distribution system. These systems radiate arterially, each from its own source of supply. With the elimination of one pumping station, the two systems will have to be cross-connected at various points and a large feeder main will require to be constructed from the Windsor Pumping Station in order to assure an adequate supply under ample pressure for the Walkerville-East Windsor area.

It need merely be said that the changes necessary to completely unify the systems will require a large capital investment. There is no problem involved in so far as the relationship of the Sandwich system to the other two is concerned. Until such time as the municipalities are in a position to secure capital funds for extensions, the two systems will require to operate independently with respect to their physical structures.

INCORPORATION OF SANDWICH AND WINDSOR

THE CANADA ADVERTISER, SANDWICH, JANUARY 20TH, 1853

"A petition is now in circulation for the signatures of such persons as are in favour of having Sandwich and Windsor incorporated into one municipality, and we are glad to perceive that our inhabitants of Sandwich are very generally recording their names upon the petition. The object of this petition which calls for the union of the two places for municipal purposes is clearly a good one

for many reasons that will suggest themselves with even a very little reflection. It would enable the inhabitants of both villages to make such local improvements as are needed and to repair the present ones, and the opening of new roads as the interests and convenience of those residing within the limits of the proposed municipality may seem to demand. Under existing regulations it is thought to be difficult to obtain such authority from 'the powers that be' as would please those who are anxious to witness the progress of important public improvements in 'these parts' of the township. The opposition to these public improvements, it is alleged, is got up by those councillors who hail more particularly from the country and hence the propriety and expediency of the proposed incorporation called for by the petition. The union alluded to, once legally perfected, would enable those resident in the new organization to impose such tax upon themselves as might be judiciously applied to the purposes of local improvements in their municipality. As this in short seems to be the real object of the proposed union we hope to witness the success of the petition.

"Some little opposition to the incorporation of Sandwich and Windsor, it is said, exists on the part of several of the inhabitants of the latter place who assert they will soon be numerous enough of themselves to form a separate corporation. However true may be their conclusions upon this point, it will hardly be denied that at least two years must elapse before those of our neighbours of Windsor who desire it would be able to effect this object. Two years lost time for the sake of a separate organization is a sacrifice which we cannot believe the intelligent and enterprising of Windsor are prepared to make for the sake of a separate incorporation. We are aware, however, that it is urged by several of our neighbours that Windsor will soon be in advance of Sandwich in population, etc., and that therefore their incorporation with Sandwich would prove detrimental to their interests, subjecting them to taxation for the benefit of Sandwich. If the hypothesis as to population be correct, the conclusion as to the results of the proposed municipal connection is palpably erroneous. For it is well known that the representation in council will be, as near as may be, in proportion to population. This must ultimately render Windsor the more powerful branch of the new municipality, i.e., if the individuals alluded to and occupying the 'opposition benches' are correct in their anticipation of future prosperity and population. But the fact is the inhabitants of Sandwich are willing to 'enter the lists' with their Windsor neighbours, both as to which of the two places will become the most populous or the most faithful in the discharge of the responsible duties that will devolve upon the councillors whom they may respectively select to protect the interests not only of their own but for every portion of the incorporation for which the petition is now being circulated. If we mistake not the principal point to be gained by the union is the power to appropriate in favour of such local improvements as the inhabitants of Sandwich and Windsor villages may deem necessary and expedient in the development of the resources and advantages natural to the locality generally. No petty jealousy, we trust, will be permitted to intrude its suggestions into the minds of such as sincerely have the interests of the two villages at heart."





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